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AUTHOR Berton, Fabienne
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ABSTRACT

This comparative study is intended to shed light on how vocational training is recognized and used as an instrument to mitigate the grave employment problems now facing all the countries of Europe. The three countries--Belgium, France, and Italy--are examined successively on the basis of a virtually identical approach. Each chapter begins with a description of the labor market, providing information on the main characteristics of employment and unemployment in recent years, the functional specificities governing the labor supply and demand, and the manifestations of public intervention (employment policy, training policy, and relevant public institutions), from which it can be determined if there is evidence of a preoccupation with the prevention of unemployment. This descriptive survey is followed by two sections examining collective and individual training measures that might be regarded as contributing toward unemployment prevention. The final section in each chapter examines the development prospects for training to prevent unemployment in light of the situation prevailing in the country and the degree to which the debate on this notion has developed. The report focuses only on training measures offered to lower- and medium-level personnel (skilled and unskilled manual workers and employees). (YLB)

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Reintegration of adults into the continuing vocational training system as a means of preventing unemployment

Belgium
France
Italy

CEDEFOP

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Research Centre on Work and Society,
University of Paris IX – Dauphine

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Foreword

This document presents the findings of a CEDEFOP investigation which was conducted within the following terms of reference:

1. The exchanges of views and the discussions held within the framework of the project on "Alternance Training for Young People" emphasized from the outset the close correlation between the problems concerned with the vocational training and occupational integration of young people and those concerned with the continuing training and retraining of the adult working population.

If adults, many of them in skill-degrading jobs, have only few opportunities to increase their occupational versatility and mobility by means of continuing training, the resulting negative effect must necessarily not only operate to the detriment of adult workers but will also hinder oncoming generations in their endeavours to become integrated into the labour market. Thus older workers inadvertently place obstacles in the way of young people seeking employment.

2. With this investigation into preventive measures to combat unemployment and reinvolve adults in continuing training, we sought to determine whether or not there is already any evidence in the Member States of at least initial steps towards an alternance concept of continuing training for older workers, in other words evidence of measures combining in-firm and in-school training and work which alternate periods of learning with periods of work in an endeavour to circumvent unemployment on a preventive basis.

The findings, at least from the countries investigated within this context, fairly unambiguously refute the suggestion of any such initial steps in this direction. On the contrary,

in Belgium, France, and Italy the present continuing training provision seems to fall short of any claim to having a preventive effect: here, continuing training serves either to adapt the workforce to the short-term needs of employers or to occupy the unemployed in the interest of preserving social peace.

With regard to the prospects of continuing training ultimately becoming a measure to prevent unemployment, these appear to differ in each of the countries investigated as a result of the different degrees to which continuing training on the one hand and employment policy on the other have developed.

The most favourable prospects for developing an active employment policy by incorporating continuing training for adults exist in France, at least if one measures in terms of declarations of political intention: establishment of a national employment office, establishment of local employment committees, increased opportunities for training leave, proposals for regional and sectoral economic development which take greater account of human needs than those of moneyed interest, etc.

The prospects appear poor in Italy, where efforts must be made to remove major obstacles still preventing a better organization of the labour market and a sectoral development policy.

Employment policy in Belgium seems to be likewise remote from continuing training.

Thus, despite over ten years of debate and a general acknowledgement of a need for expanding training provision in

line with workers' needs in all Member States, it seems that continuing or recurrent training is hardly playing a role in preventing unemployment, that is unless individual workers take the matter in their own hands and participate in evening classes, distance education courses, or study on their own initiative. Thus the occupational risk remains on the shoulders of the individual. Opportunities offered by the state or within the framework of collective bargaining agreements and linked with material support are but seldom, and before the necessary funds are made available as a result of social pressure, the crisis is already under way.

This situation is particularly disturbing in a time of increasing structural problems within the economy. Political decision-makers at all levels are called on to provide assistance without delay.

Furthermore, management and labour and their respective organizations should devote more attention to this issue, to the effect that a more intensive policy of releasing workers for continuing training purposes can be used to better distribute the available jobs, to reduce working hours, and to prepare and execute the necessary structural measures.

In the interest of encouraging approximately parallel developments in all the Member States, the Community should draw up a list of principles which can be subsequently transposed into each national context by governments and the social partners. It may be expedient in this context to pursue a branch-specific approach such as has been adopted to some extent in Community action to assist the steel sector.

Burkart Sellin
Project Coordinator

INTRODUCTION

Conducted at the request of the European Centre for the Development of Vocational Training (CEDEFOP) in Berlin (West), this comparative study on the Reintegration of Adults into the Continuing Vocational Training System as a Means of Preventing Unemployment in Belgium, France, and Italy seeks to shed light on how vocational training is recognized and utilized as an instrument to mitigate the more or less grave employment problems now facing all the countries of Europe.

By the beginning of 1982, the number of unemployed persons in the EC Member States had exceeded 10 million, a figure representing 9.70% of the total employable population. Shocking in the first instance by virtue of the dimensions it has reached, this figure furthermore represents an equally shocking squandering of economic and social resources.

In a recent OECD publication,[1/] the overall economic cost of unemployment is quantified as follows:

Estimate of public cost of unemployment as % of GDP

	1970	1975	1980
Belgium	0.45	2.47	
France	0.14	1.16	1.19
Italy	0.18	0.48	0.40

These values represent an estimate of the unemployment benefit payments disbursed together with the productivity losses incurred by the national economies as a result of unemployment; they do not take into account the social costs of unemployment. The calculation proceeds from the hypothesis that the qualification structure of the unemployed population is identical with that of the employed population.

1/28.5 Million Unemployed: OECD Observer, March 1982

One might be justified in asking whether the increase in the number of unemployed and the concomitant increase in the economic cost of unemployment have induced the governments of the three countries under review here to modify their policies in favour of preventive action, that is to say whether they have taken appropriate measures to prevent the emergence of unemployment situations. To date, it appears that they have not: the employment policies pursued in these three countries, however active they may be, are much more defensive than offensive in nature; budgetary or monetary considerations are accorded absolute priority, and the social problems raised by unemployment appear to be regarded as not meriting priority solution or at least as having been adequately solved by means of a system of financial indemnities. Accordingly, employment policy—or perhaps more appropriately in this context the attitude towards unemployment—is very distinctly one of social assistance.

Within such a context, the vocational training of adults has been deflected from its initial objective of providing for occupational advancement and retraining opportunities in accordance with the needs of the production system to become itself implicated in this policy of social assistance: government training measures are designed to preserve existing jobs, occupy the time of the unemployed, and maintain social peace, but not to preclude, a priori, the emergence of unemployment situations. This represents a second form of wastage in the economies under review: the training offered is not integrated constructively into the operations of the state, individuals and the majority of enterprises, and it remains unacknowledged as a source of enrichment, an investment in human resources which can bring benefit to both the individual and society.

A third form of economic and social wastage can be seen in the fact that governments are becoming less inclined to use training as an instrument of employment policy in favour of a solution of convenience: early retirement, a reward for early withdrawal from the labour market, a reward for inactivity. This trend is very clearly discernible in the three countries under review, in particular in their crisis-ridden steel sectors, and is most apparent in the "solidarity agreements" introduced in France which create jobs primarily and almost exclusively by means of early retirement.

Since we evidently find ourselves far removed from any policy of unemployment prevention, it seems realistic to postulate that

- firstly, such a policy constitutes a second step in governmental reasoning: not until the defensive unemployment policy has irrefutably proved its ineffectiveness and high and rising cost will policymakers look to a different, more offensive strategy which favours economic activity rather than inactivity and is thus preventive in nature;
- secondly, it is the duty of the state to introduce such a policy, for it is the national economy which suffers under the negative effects of unemployment. Firms, with the exception of the few which explicitly acknowledge their social responsibility, are not concerned about unemployment; individuals, taken in isolation, are not able to relate to the needs and movements of the production system and, taken collectively, they are more keen to safeguard the advantages they have secured (job security, retention in a specific job) —their action, individual and collective, cannot be regarded as preventive because unemployment prevention may imply a need for occupational mobility.

The marked increase in the 1981 unemployment figures in the three countries under review will perhaps permit a change of policy in the direction of unemployment prevention.

Thus the concept and the problematique on which this study is based demand that vocational training become an integral instrument of an active employment policy, that the present notion of training be modified, and that training policy in future contribute towards bringing about

- a redistribution of labour,
- an improvement in employment prospects for population categories which are disadvantaged on the labour market,
- a requalification of the adult population,
- preparatory action for contemporary structural mutations.

The question now arises as to the point at which training becomes a genuine prophylaxis against unemployment. Without having to take into account all types of training, since it is known that the higher the level of qualification the greater is the likelihood of finding employment,[1/] one must identify the point at which the training of adults ceases to be simply requalification, retraining, adaptation to short--term technological developments and the immediate needs of the enterprise to become genuinely preventive in nature. It in any case appears to be an inescapable fact that the system of vocational training is dependent on the productive system for its outlet—employment.

1/ Similarly, one could consider that all vocational training measures are preventive measures if one accepts that prevention cannot exist without risk, in this case that of unemployment or redundancy. This risk at present exists for every working person, the likelihood of its materializing varying in accordance with the individual level of qualification and thus with the training received.

The problem is insoluble unless one could delimit it by determining that preventive training covers all training measures which start as soon as the employment of an individual or group of individuals becomes jeopardized or redundancy becomes probable or certain, as the case may be. If one argues in terms of risk, however, preventive action must commence before the emergence of the risk, for everything that takes place thereafter is curative in nature. Accordingly, preventive training measures would be retraining measures leading to employment in those sectors in which job prospects are the most favourable. Thus one remains subjected to the logic of the production system, even to the point of having to go from one retraining measure to the next at the whim of changing structural requirements.

The only other possibility would presuppose a profound modification with regard to the design and structuring of training and employment by means of the introduction of a system of genuine alternation between work and learning. Prevention in this case would signify the suppression of unemployment by virtue of an almost automatic transition from work to training and from training to work. It is in this sense that the term 'reintegration' is used in the title of this study. Such a system is already operational in Japan, where every newly unemployed person immediately and automatically starts training, and the trade unions in Sweden are calling for vocational training to serve as a substitute solution for redundancy or short-time work.

Yet the time is not ripe in the three countries under review for such a system, favouring as it does greater horizontal and vertical mobility among the working population. Until now, the only types of training which might be termed as preventive are the retraining measures undertaken when firms switch to new production lines, although even these measures merely subordinate the individual to the short-term needs of the firm.

The problem raised by the introduction of a policy of alternance between work and training is that of individual autonomy: mobility should be desired and decided on by the individual as part of his own view of his personal occupational future. The employee should be able, that is to say sufficiently well trained and informed, to manage and plan his educational and occupational future, for without that ability he will again suffer the constraints of the production system.

In the light of this view of the problem, it thus emerges that our research should consist of two steps:

- the first step is to review the training measures which one could implicitly qualify as preventive measures, albeit in the knowledge that they are not preventive in the full meaning of the term as defined above (retraining measures organized for workers whose jobs are jeopardized);
- the second step is to review the possibilities of introducing and developing training measures which are intrinsically preventive in nature and which derive from a policy of alternating periods of training and work.

A policy of unemployment prevention integrated into an active employment policy would imply the following three needs:

1. Information on the structure of the working population by age and qualification level, on the number and nature of the entire spectrum of jobs available and sought, and on the mode of operation of the labour market. This information would have to be gathered at national level but also, and more importantly, at regional and local level. It would also be useful to isolate and examine the various employment poles in this connection.

2. Forecasts and a normative orientation framework which would permit the identification of job requirements and thus, by extension, training requirements for the coming years

within the framework of a regional economic development policy understood here as the political will for a balanced regional development as the generator and guarantor of employment. However, the structural difficulty in identifying and forecasting the needs of industry and therefore in specifying the need for vocational training has so far caused training to be subordinated to short-term considerations. If this problem is to be overcome, economic development must be charted out within the framework of a set of objectives coordinated, if possible, at national, regional, and local level. It would then be expedient to systematically integrate the training factor into each sectoral and regional economic development programme. There is still a strong tendency to "disconnect" when devising guidelines for economic and industrial development on the one hand and devising those for training on the other. Training and economic development should not be regarded consecutively as isolated elements but simultaneously and in an integrated manner.

3. Identification of areas where employment is jeopardized: a region, town or firm which is likely to have to change its economic base and also those occupational areas in which technological progress is likely to render existing qualifications and skills outdated and superfluous. The identification process would have to take place early enough to permit retraining programmes and also measures to create other jobs. It seems that the most efficient instrument for assuming such an identification task would be a management-labour or even management-labour-state structure, since the decisions taken by such a body, assuming that genuine cooperation can be achieved, are less likely to be scorned as arbitrary or partisan.

The primary difficulty seems to be the identification of weaknesses within a private enterprise. Such an approach

may be resented by the management and considered as an interference in their management activities which they are not prepared to accept. It would be useful if the economic condition of firms were judged according to a number of different economic and social indicators regularly announced to the public.

A transversal geographic approach to identifying weaknesses (local or regional) would be preferable to a vertical approach (e.g. sectoral), the former permitting a comprehensive assessment of all retraining and redevelopment possibilities within the region; such an approach would also operate in line with popular preferences, for most individuals would prefer occupational mobility to geographical mobility.

These three aspects, viewed in isolation, represent merely the measures needed to initiate a genuinely active policy to promote employment and prevent unemployment. In order to ensure that personal desires and aspirations are also taken into account, vocational training policy would at the same time have to promote and develop, firstly, the rights of the individual to receive information and orientation assistance with regard to training opportunities, and secondly, in order to further the realization of the alternance concept in particular, the rights of the individual to training leave, this by seeking to reduce inequalities and remove the obstacles at present hindering the exercise of these rights.

The prospects of being able to proceed in the direction of training measures to effectively prevent unemployment on the basis of a policy of alternating periods of work and training throughout adult life differ greatly in the three countries under review.

The notion of training as a substitute for unemployment cannot be found in trade union or parliamentary deliberations. However, moves are now being made in France to develop the right to orientation assistance and training leave, and this might perhaps represent the first step towards a concept of alternance in working life. In Belgium, progress seems to be being made with regard to reception and vocational orientation structures.

Awareness of the need to devise an offensive employment policy which, by extension, makes provision for preventive action, is clearly discernible in France at the level of the word but less so at the level of the deed; here, consideration is being given in particular to "concerted" regional and sectoral economic development based on human resources rather than capital resources, to the establishment of a public employment office and local employment committees, and to a comprehensive reorientation of the vocational training system. The degree of awareness of the need for such an employment policy appears to be less marked in Belgium, where working hours are being reduced and financial incentives granted for job creation but where no alternative form of economic development is being sought. It is only minimal in Italy, where present preoccupations are focused on rationalizing the functioning of the labour market, devising a sectoral development policy, and promoting manpower mobility.

The framework governing the structure of this Report is so designed as to ensure that the three countries under review are examined successively on the basis of a more or less identical approach. Each chapter begins with a description of the labour market providing information on the main characteristics of employment and unemployment in recent years, the functional specificities governing the labour supply and demand, and the manifestations of public intervention (employment policy, training policy, and relevant public institutions),

from which it can be determined, inter alia, whether there is evidence of a preoccupation with the prevention of unemployment. This descriptive survey is followed by two sections examining collective and individual training measures which might be regarded as contributing towards preventing unemployment.

The distinction between collective and individual training measures is justified at present insofar as training is usually not initiated until enterprises or sectors find themselves in difficulty, the type of training offered in such instances being collective retraining. Individual training assumes an only secondary role in efforts to prevent unemployment within this context.

Collective retraining measures are subdivided into those which are supported (financed and often organized) by the state and those which are assisted by industry. The former type constitute the majority of retraining measures, as legislation provides for state assistance to either the firm or the employees in the event of a restructuring of corporate operations. Retraining measures of the latter type are primarily those organized by major industrial groups which make their own provision for personnel retraining if operations are to be restructured.

The final section in each chapter examines the development prospects for training to prevent unemployment in the light of the situation prevailing in the country under review and the degree to which the debate on this notion has developed.

The Report deliberately focuses on only one part of the training measures surveyed during the research work, namely on those which are offered to lower and medium-level personnel (skilled and unskilled manual workers and employees). Accordingly, no reference is made here to the retraining opportuni-

ties open to higher-level white-collar personnel and specialists. It was likewise intended that special attention should be paid to training measures taken in one sector which is suffering acutely under the economic crisis and the need for structural change, namely the iron and steel sector. An intensive survey of this sector was indeed undertaken, but the findings were only meagre. It appears that no retraining measures have been organized for this sector in Belgium for three years (and even those organized previously were merely adaptation or readaptation measures). In France too, training is losing more and more ground to early retirement.

The situation in Italy is different insofar as the steel sector belongs to the IRI group, a semi-public institution in which redundancy is statutorily inadmissible. Yet although training to prevent unemployment is thus irrelevant, efforts could be made to train for transfer within the enterprise or elsewhere within the group. However, there is no evidence of such a policy, for manpower requirements are distinctly oversatisfied. Here too, the only solution to which recourse is had when necessary is early retirement or the promise of future retraining.[1/]

The steel industry thus appears to be a classic example of a sector in which there is no evidence of concern to take preventive action against the social repercussions of the economic crisis. This may be explained by the fact that decision-making on the restructuring of operations in this sector has only seldom taken place on the basis of concertation and coordination with all the social partners involved.

1/ For details, see the chapter on Italy.

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THE LABOUR MARKET IN BELGIUM

The working population in Belgium accounts for 38% of the total population. Almost two thirds of the workforce is engaged in the tertiary sector.

1980

Total population (000)	Total working population (000)	including		
		Agriculture, forestry, fisheries in %	Industry %	Others %
9,848	3,754	3.2	35.5	61.3

Source: OECD Observer, March 1981

Employment expansion is at present concentrated in the tertiary sector, although one is now justified in asking whether any expansion can be expected in the future—the electronic revolution hardly permits any optimistic forecasts in this respect. All expansion has in any case operated exclusively to the benefit of jobs with employee status.

While the labour market sector occupied by men has remained relatively stable, that occupied by women has shown a marked increase in recent years, rising from 29.1% in 1970 to 34% in 1980.

Unemployment increased constantly and rapidly between 1974 and 1980, when the unemployment rate reached 10% of the employable population and thus one of the highest levels within the EC. Its development has differed in the various sectors: "In the industry and services sectors, both of which are sensitive to cyclical trends, the very marked recession evident since 1974 has expressed itself in the form of more extensive redundancies and a slower rate of recruitment, given

that the increase in the value added per employed person has not been substantially diminished. In other sectors (excluding the public services), which are much less sensitive to cyclical developments— construction and agriculture, for example—the recessionary trend has been accompanied by a much more marked diminution in the value added per employed person, indicating that employment has expanded more rapidly, or decreased less rapidly during this period than during that from 1971 to 1974."[1/]

Unemployment: unemployed receiving benefit/total insured against unemployment (in %)

	73	74	75	76	77	78	79	80	81[1/]
M	2.8	2.8	4.8	5.5	6.0	6.3	6.3	6.3	10.5
F	5.5	6.7	10.8	14.8	17.3	18.1	19	20.1	22.6
T	3.6	4.0	6.7	8.6	9.8	10.4	10.9	11.7	15.0

1/ by November 1981

Source: ONEM annual reports 1973 - 1980

Unemployment: unemployed receiving benefit/working population (in %)

	75	76	77	78	79	80	81
M	3.2	3.7	4.1	4.3	4.2	4.6	7.0
F	6.8	9.5	10.9	11.6	12.1	13.2	15.0
T	4.5	5.7	6.5	6.9	7.1	7.8	10.1

Source: ONEM

The unemployment rate has increased rapidly since 1980, this being attributable partly to unfavourable economic developments but also to some extent to a relaxation of the efforts initiated in 1977 to reabsorb the unemployed population by means of a special unemployment programme.

1/Banque Nationale de Belgique, Annual Report 1980, p. 62.

Since 1970, the male unemployment rate has doubled and the female unemployment rate has almost quintupled.

Breakdown of unemployment by age group and sex in % (unemployed receiving benefit)

	1978			1979			1980		
Age group	M	F	T	M	F	T	M	F	T
under 25	29.1	37.3	34.0	28.6	36.0	33.2	29.5	35.5	33.2
25 to 50	43.5	53.0	49.3	43.5	54.6	50.5	43.7	55.5	51.1
over 50	27.4	9.7	16.7	27.9	9.4	16.3	26.8	9.0	15.7

Source: ONEM

The profile of the unemployed population differs noticeably from that of the working population, the economic recession having accentuated existing structural imbalances. It has become evident that certain groups are more likely than others to suffer from a deterioration in the employment situation. These recession-prone groups are young people, women, and blue-collar workers.

The proportion of persons under 25 years of age among the jobless remains high, although stable, at 33%. That of persons over 50 years of age is tending to diminish on account of more extensive recourse to early retirement.

The difficulties experienced by blue-collar workers on the labour market can be seen from the high rates of unemployment prevailing among individuals whose school career ended with a general primary education (58.8%) or a lower secondary vocational education (10.6%). Since 1979, however, the downward trend has embraced not only all those coming from the technical and vocational sectors of education but also those having completed an apprenticeship or even a university training.

Breakdown by age group and educational background in %, 1980 (unemployed receiving benefit)

Educational background	under 25 years	over 25 years	total	variation 1980/1979
General education				
primary	36.6	69.9	58.8	+ 6.2
secondary	10.8	8.4	9.2	+ 10
Technical education				
lower secondary	8.7	4.4	5.9	+ 10.4
higher secondary	7.5	2.9	2	+ 13.3
higher education	2.8	1.5	4.4	+ 17.9
Vocational education				
lower secondary	18.5	6.6	10.6	+ 17.2
higher secondary	7.7	2	3.9	+ 22.2
Teacher training				
pre-primary and primary	1.1	0.7	0.8	- 6.4
others	2.2	0.8	1.2	+ 15.1
University education	1.3	1.1	1.2	+ 18.9
Apprenticeship	2.4	0.9	1.4	+ 25.8
Others	0.4	0.8	0.6	+ 11.3

Source: ONEM

A breakdown of unemployment according to region reveals that Flanders is experiencing the most rapid increase in unemployment rates. The year 1980 brought a particularly acute downturn in the male-dominated services sector and construction industry and also in the female-dominated food processing, textile and garments industries.

The main increase in unemployment in Wallonia in 1980 was experienced in the services sector and the construction industry; here, unemployment decreased slightly in the textiles, garments and mechanical engineering industries.

In the Brussels region, the services sector experienced a particularly rapid increase in unemployment. In contrast, this region displayed a number of positive developments with regard to employment in the hotel, restaurant and garments industries.

Breakdown of unemployment by region in % (unemployed receiving benefit)

Region	1978	1979	1980	1981 1/
Flanders	54	54.6	55.1	56.2
Wallonia	35.5	35.2	34.7	33.3
Brussels	10.5	10.2	10.2	10.5

1/ by 30 November 1981

Source: ONEM

Viewed together, these three regions have suffered a rapid increase in unemployment in the services sector (+20.6%) and in the construction industry (+18.9%). Flanders is furthermore having to face a crisis in its textiles and garments industries.

Long-term unemployment (over one year) and partial unemployment are two particular forms of unemployment which are becoming increasingly common in Belgium.

Long-term unemployment accounts for approximately one half of all full unemployment, reaching almost 60% in the case of unemployed women. This specific type of unemployment is progressing at a rate which varies from year to year between 7% and 11%. The more the economic situation deteriorates, the longer the average period of unemployment tends to be. Moreover, the longer a person is unemployed, the poorer are his/her prospects of ultimately finding a job. The likelihood of finding work is also largely dependent on educational background: the higher the level of qualification, the greater are the chances of finding a job. "In December 1980, 41.1% of men and 70.7% of women with only a primary education had been unemployed for longer than one year; the figures are 16.3% and 45% respectively for those with a technical secondary education, 14.7% and 51.5% for those with a vocational secondary education, but only 12.1% and 14% for those with a university edu-

cation."[1/]

Partial unemployment, in particular short-time work imposed by economic constraints, is difficult to evaluate and analyze in Belgium at present because of a recent modification in the data collection system obtaining for this category of the unemployed. The available figures on aggregate partial unemployment, ranging from 66,000 to 69,000 persons over the past four years, seem to reflect an underestimation. The actual figure is estimated to have been between 75,000 and 80,000 in 1979.

Belgium has two institutions which are empowered to intervene in the functioning of the labour market, the first, the National Employment Office (Office National de l'Emploi - ONEM), by way of direct action, and the second, the subregional employment committees (comités subrégionaux de l'emploi) which contribute by virtue of their research activities.

ONEM is the body responsible for implementing the employment policy and training policy formulated by the Ministry of Employment. Its management board is composed of representatives of the trade unions, the employers and the Government, with each group having equal responsibility. ONEM is charged with regulating the labour market by helping to adjust and equilibrate the labour supply and demand.

ONEM activities can be classified into three main types:

- placement services
- information and orientation services
- adult vocational training.

ONEM runs regional services and also three subregional services.

The subregional employment committees are advisory bodies intro-

1/Source: ONEM Annual Report 1980.

duced by virtue of a royal decree promulgated on 7 April 1975. They are charged with conducting continual surveys on the employment situation and its development and identifying the measures required to promote an active employment policy at regional level, and are also called upon to give advice on employment problems and formulate appropriate recommendations. A decree amendment of 6 October 1978 upgraded their status with regard to their consultative function on employment problems and finally accorded them an important role in the fields of placement and training, with the special task of ensuring that training provision remain well adapted to economic realities and, above all, operate efficiently.

The research work conducted for purposes of policy recommendations in 1979 dealt with the following topics:

- analysis of the fundamental characteristics of employment and unemployment,
- determination of quantitative and qualitative manpower requirements,
- the problems raised by the transition from school to working life,
- elaboration of indicators for corporate crises,
- effectiveness of measures to absorb unemployment.

Budgetary limitations imposed in 1980 have diminished the efficiency of the work of the subregional employment committees in two respects:

- a reduction in budgetary allocations for research work has caused the committees to cut down on their permanent investigative surveys of the labour market;
- the recommendations formulated by the committees can only seldom be acknowledged and implemented by austerity-conscious government bodies.

Nonetheless, the subregional employment committees continue to serve as an active and innovative instrument in the fields of information and training.

Confronted with an increasing unemployment rate, however, the Belgian Government has now been obliged to direct its attention not to unemployment prevention but at least to positive action:

- royal decree of 22 December 1977: measures to absorb the unemployed known collectively as the Spitaels Plan, after the then Minister of Employment;
- royal decree of 15 October 1979: grants made to enterprises offering new jobs in connection with a reduction of working hours (Dewulf Plan, likewise named after the Minister of Employment).

Yet neither the Spitaels Plan nor the Dewulf Plan made provision for any specific training element, thereby confusing the means with the end. Both plans were based on a preoccupation to occupy the time of the unemployed, to reduce the supply of labour, and to induce certain disadvantaged categories of unemployed persons to find work.

For its part, vocational training policy in Belgium has for many years been understood as a means to combat unemployment, although this view emerged from the belief that unemployment, particularly youth unemployment, was attributable to a lack of education and training. Now, at a time of a sharp reduction in the number of jobs available, it has finally become clear that training alone cannot generate employment.

Accordingly, two new concepts of training have emerged:

- the first seeks to ensure a close correlation between training on the one hand and the manpower needs of enterprises and technological development on the other;

- the second, a so-called socio-occupational concept of training, is intended to move away slightly from corporate needs in order to create scope for broader-based objectives, to prevent the gradual marginalization of the unemployed, and to increase the number of persons undergoing training even if the training course concerned is not likely to lead to a job.

Taken as a whole, the policy pursued is not one of prevention but rather one of adaptation to the needs of enterprises and occupying the time of the unemployed, although one could, of course, contend that any course of training which upgrades the worker's qualifications or simply helps him to remain competitive on the labour market is in the final analysis one way of avoiding redundancy.

In view of the foregoing, the following survey of training measures which could be regarded as preventive in nature will place emphasis on those measures which are initiated

- in the event of a restructuring of industrial operations to introduce either new technologies or a new economic base;
- in the event of closure of an enterprise;
- in the event that an economic unit is created or planned.

The same approach will be adopted for both collective and individual training measures. In the latter case, it will also be necessary to examine individual efforts to retrain or update existing skills.

1. COLLECTIVE TRAINING MEASURES TO PREVENT UNEMPLOYMENT

1.1 State Action

1.1.1 The legal framework

The royal decree of 20 December 1963 on employment and unemployment provides for vocational training measures to be initiated

- (Art. 76) in the event that an enterprise is established or expanded or changes its field of business (aid to firms)
- (Art. 82) in the event that a worker needs training in order to carry out paid employment in a specific field: updating, upgrading, or broadening of skills or skill adaptation to comply with developments taking place within the occupation or profession (aid to individuals)
- (Art. 87) in the event that specific training agreements are concluded with enterprises or groups of enterprises (aid to firms).

In addition, legislation on the closure of firms adopted in July 1968 provides for state assistance in financing vocational retraining in the form of a so-called "bridging grant". The same type of state assistance is also available to workers made redundant as a result of a restructuring of operations. Here again, the assistance is linked to the individual. A distinction is made in this connection between coal and steel works on the one hand (ECSC) and other firms on the other.

Furthermore, ONEM may intervene at the request of employees who, after the closure of a firm or notification of redundancy, join together to from a "training-employment group" in order to organize collective retraining measures. The year 1980 brought a massive expansion of this type of state action, but its impact on the employment situation has nevertheless remained only modest.

In the interest of clarity, it appears expedient to make a distinction between state action desgined to assist firms (Art. 76 and Art. 87) and state action designed to assist individuals (firm closures, training groups).

1.1.2 State action to assist firms

Article 76 - description of its provisions and impact

In the event that a firm is established or expanded or restructured, ONEM may grant financial assistance to defray the cost of training or retraining its personnel. An agreement drawn up between the firm and ONEM specifies how the costs are to be shared. The training concerned may be in-firm training or external training.

The field of application of this article is fairly narrow but its modes of operation are flexible. Corporate expansion in this context is deemed to constitute not an increase in production but a diversification of production; similarly, restructuring is deemed to require the closing down of one section. The introduction of different technologies is required in both instances.

The application for state assistance must be submitted to the ONEM Management Board and the Minister of Employment for approval. The thus subsidized training must be in the form of collective training measures for a group of not fewer than ten persons and may extend over a maximum period of two years.

An increase was recorded in the number of applications concerning newly-established enterprises in 1980, and together with those concerning expansion projects they account for three quarters of all applications. The remaining quarter, those pertaining to restructuring projects, are reported to be "envisaged by firms which have been operating for several years and seek to open up new areas of operation in

a bid to sustain or improve their competitive position and their employment situation."[1/]

Thirty-four projects were approved by the relevant authorities in 1980:

- 11 establishment projects
- 12 expansion projects
- 11 restructuring projects.

The training thus provided concerned a total of 2,264 individuals, the majority of whom were engaged in the metalworking industry (11 projects), the chemicals industry (11 projects), and the construction industry (3 projects).

The metalworking and chemicals sectors together likewise accounted for 87.5% of the jobs thus created. The average duration of the training measures was seven-and-a-half weeks. The total funds invested by ONEM in this type of measure are estimated at BF 132.5 million.

Branch	No. of expansion operations			No. of workers undergoing training				Estimate of ONEM assistance (in million BF)			
	Fla	Wal	Total	Fla	Wal	Total	%	Fla	Wal	Total	%
Metalworking	6	5	11	1,055	476	1,531	53.7	40.1	24.7	64.8	48.9
Chemicals	7	4	11	526	421	947	33.2	30.5	16.8	47.3	35.7
Construction	2	1	3	105	11	116	4.1	5.9	0.6	6.5	4.9
Textiles	2	-	2	89	-	89	3.1	5.4	-	5.4	4.1
Graphic arts	1	1	2	29	53	82	2.9	2.4	2.7	5.1	3.8
Others	2	3	5	52	32	84	3.0	1.4	2.0	3.4	2.6
Total	20	14	34	1,856	993	2,849	100.0	85.7	46.8	132.5	100

1/ONEM Annual Report 1980.

Article 87 - description of its provisions and impact

ONEM is empowered to enter into agreements with firms, groups of firms, public bodies or public or private associations with a view to establishing training units. The agreements specify the key according to which the costs are to be shared by the contracting parties.

The training to be offered has to be approved by the enterprise, the local subregional employment committee and the ONEM Management Board.

The objective of the measure may be to train individuals with a view to subsequent recruitment, to upgrade the skills of existing employees, or, as is most frequently the case, to retrain staff to assume new duties.

The training provided must be collective, i.e. for a group of not fewer than five persons, must be supervised and extend over a specified duration. On-the-job training is not eligible for assistance under this provision.

Branch	No. of trainees		
	1978	1979	1980
Mining	-	24	-
Textiles	220	107	112
Garments	74	66	-
Paper	-	-	-
Printing and publishing	23	15	60
Chemicals and rubber	65	-	40
Glass	72	82	33
Metalworking	193	190	233
Mechanical engineering	124	194	112
Electrical engineering	94	33	52
Transport equipment	177	58	146
Timber	9	-	-
Construction	50	47	23
Commerce, banking, insurance	-	8	-
Electricity gas	-	-	12
Services and others	428	227	65
Total	1,529	1,051	888

Source: ONEM Annual Report

Since the scope of this type of scheme is heavily dependent on the economic climate, there has recently been a marked reduction in the number of training measures offered in this connection. The main branches to have benefited from the scheme to date are textiles, metalworking, mechanical engineering and the services.

A regional breakdown shows that Flanders has so far been the primary beneficiary:

- Flanders 523
- Wallonia 339
- Brussels 26

State investment in this scheme has remained relatively stable at an annual average of approximately BF 85,445,000.

ONEM expenditure in thousand BF

	1977	1978	1979	1980
Training units established in cooperation with firms	86,445	82,636	81,275	101,414

Source: ONEM, 1980

In terms of the number of persons benefiting, the impact of these two forms of state assistance to firms wishing to initiate a collective retraining measure has remained only weak. This seems to indicate that firms have not yet assimilated the notion of using training as a means of preventing redundancies.

1.1.3 State action to assist individuals

The collective training measures offered by the state to individuals are essentially those designed for persons who have been made redundant or have received notification of redundancy.

The so-called bridging grant

Legislation adopted on 20 July 1968 on the closure of enterprises provides for a special grant to be paid to persons who lose their jobs as a result of closure of an enterprise occupying an average of not fewer than 20 employees in the year prior to cessation of operations. The grant is known as a "bridging grant" and is payable by the state (ONEM) for a period of 12 or 18 months subsequent to redundancy. It is payable to all those eligible as defined above, irrespective of whether they have meanwhile found new employment, are still unemployed, or are undergoing training. Per se, the grant thus does not represent an incentive to undergo training.

The number of persons eligible for this grant has remained low:

Year	No. of firms	No. of workers	Expenditure (million BF)
1978	247	14,206	37.4
1979	212	14,839	47.7
1980	269	15,768	36.5

NB. Because the ceilings fixed in 1968 are not index-linked, the number of actual beneficiaries has become very small and the investment negligible.

Source: ONEM, 1980

Training organized at the request of a "training-employment group" of redundant workers

This type of collective retraining scheme introduced in 1980 has been implemented in only four or five instances and is thus still in an experimental stage. Unfortunately, although its results are positive with regard to training effect, they have proved to be poor with regard to employment effect. The main examples are the training/retraining schemes run for personnel of the two firms GLAVERBEL and HENNUYERES.

The individuals concerned so far have been employees who, having been made redundant, collectively applied to ONEM for training with a view to setting up a new undertaking or taking over or converting their former firm.

These training measures have been introduced within the context of a trade union struggle to maintain jobs or at least to find collective re-employment. They have been accompanied by demands to take over the management of the firm and also by strong claims on yet at the same time a distrustful attitude towards the assistance provided by the state.

The starting point for this movement was the employment group formed by 2,000 redundant workers of the ATHUS steel works in the Luxembourg province. The group demanded concrete action and the opportunity to remain in the plant, and furthermore called on ONEM to finance their collective retraining and their continued wage payments during training.

Yet only little enthusiasm is evident for this type of training initiative emanating from groups of workers. The discouragement stems from the meagre results obtained to date. Four examples of such action initiated by workers of the firms GLAVERBEL, HENNUYERES, GLAVERBEL-HUDING and FABERTA in 1980 and 1981 merit examination in this context.

The retraining experiment at GLAVERBEL (March 1980 to March 1981)

GLAVERBEL is a glass factory belonging to the St. Gobain group. Located in the Charleroi region, GLAVERBEL specializes in the manufacture of double glazing and automobile windscreens. The firm had been reorganized on several occasions since 1975, with the trade union claiming on each occasion that it had not been consulted (the glass industry has a long tradition of trade union conflict).

In March 1980, 220 employees were made redundant. An agreement was subsequently concluded between the trade unions, the management, the Ministry of Economics, and the Ministry of Employment proposing the following alternative solutions:

- individual retraining opportunities,
- a redundancy payment of BF 28,000 and unemployment,
- a collective retraining scheme in building restoration and heat insulation with guaranteed re-employment with one or more construction firms engaged in these fields.

The workers opted for the collective training scheme. Highly politicized, they sought to retain control over both the training and the employment process: the struggle to find a job ultimately took precedence over the acquisition of new occupational skills.

ONEM found itself having to provide training and guarantee employment in a sector with which it had had only little experience (what training content should be offered? how is the work process organized?). Nonetheless, this public institution rose to the challenge and provided on-site training in a disused factory. It commissioned two categories of personnel to service the training scheme:

- professional ONEM instructors in heat insulation,
- instructors seconded on contract from another vocational training establishment, who provided training in general subjects and sought to explain the socioeconomic context of building restoration and heat insulation work.

The one-year training period served as a melting-pot for socioeconomic, psychological, technical, and occupational reflections, and at its close the workers announced their intention to establish a public-law enterprise with a monopoly on the execution of building restoration and heat insulation work.

The enterprise was in fact established, but it failed to function as anticipated. Eight months after operations commenced, the workers again found themselves unemployed and their trade union leaders continued their struggle. They succeeded in negotiating with the Ministry a special unemployment status for their members whereby these were exempted from reporting regularly to the labour exchange and received an additional allowance from the social fund operated by the glass industry.

The retraining experiment at HENNUYERES

HENNUYERES, an enterprise belonging to a tile and brick-making group in the southern part of Brabant, laid off 23 workers in 1980. These had no specific intentions of setting up a firm or initiating any form of collective employment, but simply joined together to lend weight to their claim for retraining. They were subsequently granted a four-week training course in one of a number of occupational options. The training was provided at various ONEM-run training centres, depending on the option chosen, and the group met on two days per week for training in general subjects. Some of the group underwent training in solar energy techniques in a course arranged by ONEM at an independent training centre.

The training group did not survive, most of the members having found employment individually. At the date of the final enquiries for this Report (late 1981), the remaining members had devised two schemes to establish cooperatives, one for the execution of SOS repair work and the other in the form of a grocery wholesale business.

The retraining experiment at GLAVERBEL-HUDING (La Louvière)

This scheme concerns a group of 50 workers who likewise have no specific intention of establishing an undertaking

or generating any other form of collective employment. They filed an application for vocational training at the initiative of ONEM and are now (late 1981) attending an observation and orientation centre in order to determine the type of retraining to be selected.

The retraining experiment at FABERTA

FABERTA is a textile firm specializing in fibres which was forced to lay off three quarters of its personnel in 1981. Some fifty of those thus made redundant applied to ONEM for collective retraining and were offered retraining opportunities in the field of municipal heating.

At the time when the final enquiries were being made, it had transpired that a neighbouring local council was intending to purchase the FABERTA factory and convert it into a craft and commerce centre; the candidates for retraining will thus be more likely to seek training in building restoration.

All these retraining measures have been subject to the control of a pedagogic advisory committee chaired by the Regional Minister for Vocational Training and composed of representatives of the trainees, the trade unions and management. Coordination between training and employment aspects is guaranteed by the fact that the latter two delegations are also represented on the subregional employment committee.

Yet despite these precautions, the results have so far been negative. Unforeseen and therefore devoid of any formal programming, these collective retraining measures have to be financed from supplementary appropriations transferred from the ministerial budget to the ONEM budget and have proved to be very costly. For purposes of comparison, whereas the training offered at GLAVERBEL for 220 persons over a

period of one year cost BF 110 million, one year of "normal" ONEM training provision for 200 persons costs only BF 35 million. This apparently high investment requirement is attributable to the special structure of these collective retraining measures, which comprise not only vocational training but also general education and psychosocial support.

Thus whether in the first instance designed to assist firms or individuals, the various forms of collective training measures supported by the state have so far proved to have had a quantitative and qualitative impact which has contributed only little towards preventing unemployment. For even if the training itself cannot be criticized, its purpose and objective, namely employment, cannot always be fulfilled. This would indicate that in default of pre-existing employment opportunities, training cannot serve as a means of allocation and placement.

1.2 Action Undertaken by Private Enterprise

Training schemes and training centres may also be set up at the individual or collective initiative of private enterprise. The firms' objective in so doing is not to prevent unemployment but rather to ensure that they have a workforce whose capabilities conform with corporate operational requirements. This concern to adapt abilities to corporate needs may be directed towards the firm's actual personnel or towards potential personnel: by way of example, a number of industrial federations (e.g. those of metalworking firms (FABRIMETAL), mechanical engineering firms, electrical engineering firms, synthetic materials processing firms and the Vocational Training Fund for the Construction Industry) have elected to play an active role in secondary technical education, in ONEM training activities and also in the activities of private training establishments.

Insofar, one might contend that these organizations contribute towards preventing youth unemployment, perhaps by suggesting a course of training which will permit the trainee to find work at a later date. However, this aspect operates as a secondary function, the primary function being the adaptation of abilities to needs.

The Vocational Training Fund for the Construction Industry (Fonds de formation professionnelle de la construction - FFC) is an interesting case by virtue of its organizational structure and mode of operation. Through the activities of this fund, the construction industry alone assumes responsibility for all vocational training schemes within the sector. Established in 1965 in response to the acute shortage of qualified manpower which prevailed within this sector in the early 1960s, FFC is a national body managed by the social partners and funded by means of an obligatory annual subscription from its member firms. Its objective is to take appropriate measures to upgrade the training provision for employees in the construction industry and to promote the various building trades. The occupational fields covered by FFC also include maritime and river works, terrassing works, dredging, roadworks, masonry, concreting, asphalting, and tarring. The fund is financed from a levy raised from construction sector employers in the amount of 0.3% of the gross payroll. The levy is collected by the public bodies responsible for collecting social security contributions. The Fund is also entitled to receive public subsidies.

The FFC is administrated by a management board composed of

- seven employer representatives nominated by the various member trade federations or associations,
- seven employee representatives nominated by the trade unions represented in the National Commission for the Construction Industry (the Centrale chrétienne des travailleurs du bois

et du bâtiment, the Centrale générale FGTB, and the Centrale générale des syndicats libéraux de Belgique).

The activities of the Fund are designed to stimulate the training network in the short term and to modernize it in the long term. They take three principal forms: financial, technical, and pedagogic.

FFC activities in the pedagogic field comprise:

- elaboration of a multidisciplinary practical curriculum for use in the vocational and technical sections of secondary education;
- standardization of school curricula, development and servicing of a complete training network within the vocational and technical sections of secondary education (more than 140 building trade units throughout the country, see statistical data below);
- establishment and administration of training centres for crane drivers and construction plant operators.

FFC activities in the technical field comprise:

- elaboration and revision of practical vocational training material for use in the technical and vocational sections of secondary education;
- supply of documentary material to teachers and employers (general information material, specialized literature, audiovisual material, etc.);
- organization of information campaigns, exhibitions, film-showings; development of audiovisual material; participation in television information programmes on the building trades;
- organization of training periods in industry and refresher courses for teachers servicing the practical section of vocational secondary education;

- publication of a monthly magazine, a youth magazine, and information material; analytical research work on the sector and its training needs.

FFC activities in the financial field comprise:

- operation of a benefit system favouring all those who elect to train for a building trade within the framework of vocational training;
- granting of subsidies to intensive vocational training courses within the ONEM framework.

Statistical data on FFC training activities

Training at school for the building trades in:

- the traditional and reformed types of lower technical secondary education (ETSI/ESR)
- the traditional and reformed types of lower vocational secondary education (EPSI/EPSR)
- special vocational education (EPS)
- the fifth specialization year (ETSI level) for civil engineering plant mechanics

Training for the building trades by level of education (D = Dutch-speaking, F = French-speaking)

School year	ETSI ESR			EPSI EPSR			EPS			CPSI		
	D	F	Total	D	F	Total	D	F	Total	D	F	Total
1967-68	5	4	9	9	15	24	10	10	20	12	5	17
1968-69	7	5	12	10	15	25	15	11	26	12	5	17
1969-70	7	7	14	11	16	27	18	14	32	12	5	17
1970-71	10	7	17	13	17	30	23	17	40	12	5	17
1971-72	10	10	20	14	19	33	20	17	37	10	5	15
1972-73	10	7	17	14	19	33	20	22	42	9	5	14
1973-74	10	10	20	15	21	36	20	27	47	10	6	16
1974-75	11	9	20	15	22	37	21	28	49	9	7	16
1975-76	11	8	19	17	23	40	21	30	51	9	7	16
1976-77	10	9	19	18	23	41	21	32	53	9	7	16
1977-78	10	10	20	20	25	45	21	32	53	9	7	16

Total number of trainees by level of education

School year	ETSI ESR	EPSI EPSR	EPN	CPSI	total per school year
1967-68	240	610	582	393	1,825
1968-69	261	695	561	357	1,874
1969-70	304	785	619	417	2,125
1970-71	336	852	717	404	2,309
1971-72	341	837	860	372	2,410
1972-73	308	870	945	252	2,375
1973-74	301	922	1,062	244	2,529
1974-75	345	935	1,181	263	2,724
1975-76	438	1,188	1,350	333	3,309
1976-77	493	1,656	1,525	418	4,208
1977-78	608	2,103	1,688	586	5,081

Number and % of successful candidates in ETSI/ESR and EPSI/EPSR

School year	ETSI/ESR			EPSI/EPSR		
	4th - 5th year (1)	passes	passes in %	4th - 5th year	passes	passes in %
1967-68	53	51	96.2	166	113	68.1
1968-69	35	29	82.9	171	117	68.4
1969-70	54	49	90.7	197	141	71.6
1970-71	73	57	78.1	209	139	66.5
1971-72	95	79	83.2	233	182	78.1
1972-73	85	75	88.2	285	221	77.5
1973-74	95	81	85.3	288	213	73.9
1974-75	96	76	79.2	313	213	68.1
1975-76	113	83	73.5	401	307	76.6
1976-77	128	117	91.4	493	392	79.5

Number of successful candidates in EPS and CPSI

School year	EPS		CPSI	
	3rd year (2)	passes	1st year (3)	passes
1967-68	198	96	188	82
1968-69	165	92	177	81
1969-70	153	88	191	70
1970-71	219	96	173	68
1971-72	261	98	149	59
1972-73	320	123	112	41
1973-74	325	135	121	49
1974-75	396	162	128	45
1975-76	473	169	181	58
1976-77	469	239	253	47

FABRIMETAL, the corresponding organization in the metalworking industry, has adopted a similar course of action by establishing a post-school training institute. In this case, however, recourse is also had to public funds, the teachers' and instructors' salaries in particular being subsidized by the Ministry of Education.

Numerous training opportunities are also offered by other federations of employer organizations and trade union organizations working in cooperation. Examples of such federations include those for the textile industry, the glass industry, the major marketing firms, and the chemicals industry. Yet despite the fact that representatives of management and labour are equally responsible for organizing the training provision, the objectives pursued within this framework tend to reflect a preoccupation with the needs of industry rather than the needs of the working population.

2. INDIVIDUAL TRAINING MEASURES DESIGNED TO PREVENT UNEMPLOYMENT

If workers, taken individually, are to elect to avail themselves of training opportunities in order to prevent their becoming unemployed, they need to have a clear concept of their occupational future and thus information on the outlets to which the various measures lead and a good knowledge of their personal preferences, capacities and aptitudes.

Viewed in this context, information and orientation assume a special importance: without them, training serves to occupy one's time but has no or at most an only arbitrary effect on employment.

Information and orientation structures serving both individual and collective needs were first set up in Belgium in 1975. Originally intended to assist young people, they have gradually expanded their scope of action to include all persons who have already lost their job or whose job is jeopardized and who therefore wish to seek assistance.

Proceeding from a broad interpretation of the concept of unemployment prevention, one might consider that any person who, outside his regular hours of work or during training leave, seeks to upgrade his knowledge and skills, typically in order to improve his occupational situation but also to change occupation or set himself up in a new undertaking, is in fact arming himself against unemployment. But unemployment prevention is in such instances nothing more than a general, secondary objective.

The training opportunities available within this category cover an extremely broad range, including all the individual training courses offered in the evenings, on Saturdays, within the framework of training leave periods, etc. by a variety of organizing bodies: private establishments, ONEM, the Ministry of Education, the Ministry for Middle Class Affairs, etc.

2.1 Reception Centres and Observation and Orientation Centres

Introduced in 1975 at ONEM and originally intended to assist unemployed youths in selecting a course of vocational training and finding their way into working life, these centres have since expanded their activities to include other categories of unemployed persons who are experiencing difficulty in determining their future or finding employment. Although the target group is thus the already unemployed, it can nevertheless be maintained that these centres play a prophylactic role with regard to unemployment insofar as they can help to shorten the duration of unemployment and their assistance could be extended to any working person whose job is jeopardized.

The centres are accessible to any individual or group of individuals who, individually or collectively, intend to plan their occupational reintegration, to those who are undecided as to their occupational future, and to those for whom continued unemployment could lead to marginalization.

The programme begins with a reception stage of a few days' duration, the purpose of which is to direct the individual or group towards the mechanism most suited to the needs expressed:

- a placement service if the problem is one of finding a job vacancy,
- training if the individual has a clear and realistic concept of his occupational future but requires additional skills,
- vocational orientation accompanied by socio-occupational and general education measures in other cases.

There then follows a period of orientation and initiation which extends over a maximal duration of ten weeks and is

divided into three phases: practical initiation to working life, initiation to the social and occupational context, and analysis and evaluation of the orientation process. These three phases are interdependent and interrelated.

The practical initiation to working life take place in a real work situation, either in building/timber/metalworking workshops or in a tertiary sector unit. The participants are able to inform themselves on and experience the various occupations represented.

In the second phase, the initiation into the social and occupational context, the participants find themselves in a social learning situation. They examine the specific characteristics of a given occupation, the skills it requires and the conditions under which it is pursued. In this way they can draw conclusions as to the repercussions of occupational commitments on their personal lives. This learning situation is intended to develop the participants' capacity to understand their experiences, overcome their difficulties, isolate and utilize useful information, and undertake constructive steps.

The analysis and evaluation phase is a pedagogic support period during which the participants take decision on their occupational future.

Upon completion of this three-stage programme, the participants are directed towards the training course and training institute which comply best with their occupational aspirations.

Of those completing the programme, 55% undertake a vocational training course at ONEM, 10% find employment, and 35% register with the placement services. Findings indicate that this

orientation service enhances the prospects of becoming integrated into working life.

Reception and orientation: French-speaking community

Although the potential target group for the orientation centres here is estimated to number 100,000 persons, a maximum of only 2,500 persons pass through the centres each year.

Reception

Wallonia

Convened		Attended		Referred to O+O centre		Referred to vocational training	
1979	1980	1979	1980	1979	1980	1979	1980
8,735	8,123	5,040	4,833	2,197	2,608	431	711

Brussels region (francophone)

Convened		Attended		Referred to O+O centre		Referred to vocational training	
1979	1980	1979	1980	1979	1980	1979	1980
4,979	2,176	2,623	1,161	1,535	536	253	116

Source: ONEM Annual Report, 1980

Observation and orientation

Wallonia

Incoming		Outgoing		Referred to vocational training	
1979	1980	1979	1980	1979	1980
1,853	2,141	1,651	2,016	870	1,310

The 1980 figures show a 20% increase over the 1979 figures; since no additional centres have been opened, the saturation threshold has now virtually been reached.

The fact that 65% of trainees were sent for vocational training in 1980 as opposed to only 53% in 1979 reflects both the increasingly difficult situation on the labour market and a more constructive analysis and utilization of the orientation process.

Brussels region

Incoming		Outgoing		Referred to vocational training	
1979	1980	1979	1980	1979	1980
796	346	725	326	420	163

Source: ONEM Annual Report, 1980

Centres of this type require a relatively large staff (one instructor for each seven participants) and comprehensive equipment. There is now a need for investment in new machinery (BF 100,000).

The total cost of the reception, orientation and observation measures taken in the French-speaking community amounted to BF 200 million in 1981; by way of comparison, the total ONEM budget for vocational training in the same community amounted to BF 1,800 million.

Reception and orientation: Flemish-speaking community

The number of persons availing themselves of the reception, orientation and observation centres in 1980 was as follows:

Reception

Convened		Attended		Referred to O+O centre	
1979	1980	1979	1980	1979	1980
20,612	15,505	12,448	10,893	8,150	8,332

Observation and orientation

Convened		Attended		Referred to O+O centre	
1979	1980	1979	1980	1979	1980
5,974	6,362	5,275	6,560	2,806	3,434

Source: ONEM Annual Report, 1980

Despite an expansion in the activities in the orientation and observation centres in this region, the proportion of persons sent for vocational training still oscillates around 50%.

2.2 Adult Education Courses, Retraining Courses, Training Leave, etc.

It is difficult to distinguish those training measures within this broad field which are specifically designed for working persons and could help to prevent unemployment, partly because the deterioration in the economic situation has provoked a distinct change in the population groups undergoing training. The case of ONEM is typical in this respect: in 1973, 65% of ONEM trainees were persons working in industry; in 1981, 75% were registered unemployed.

It thus becomes apparent that the magnitude of the unemployment problem has caused the majority of training opportunities to become curative rather than preventive in nature. Nevertheless, it is possible to isolate a few training measures run by ONEM, the Ministry of Education and the Ministry for Middle Class Affairs in 1980 which can be regarded as preventive measures in a secondary capacity.

2.2.1 Individual training measures organized by ONEM

a) Secondary sector

A total of 420 workers from the metalworking industry in the Flemish-speaking community underwent ONEM-run training courses which paved the way for a new occupation after corporate restructuring operations or upgraded existing skills.

Increasing interest is being shown in the retraining opportunities offered for some six or so occupations in the coal-mining centres of the Campine region. This training is intended exclusively for unskilled workers who thus become qualified to replace personnel leaving the sector for reasons of old age or poor physical health.

La Campine coal-mining basin

Training courses completed

1978	1979	1980
969	905	1,081

Source: ONEM Annual Report, 1980

The courses organized at the Training Centre for Welders (Centre de Perfectionnement de Soudeurs-CPS) under the auspices of FABRIMETAL have likewise been expanded. In 1980, a total of 87 workers from industry completed a course of training leading to the advanced welder's certificate, a very useful asset on the labour market.

Advanced Training Centre for Welding Technology

Training courses completed

1978	1979	1980
28	69	87

Source: ONEM, 1980

b) Tertiary sector

The training courses organized for the tertiary sector are normally reserved for persons with employee status. Most are

held on Saturdays and relate to the fields of informatics and business administration. A total of 1,064 persons from the Flemish-speaking community attended short-term modular courses in informatics in 1980. The same year also saw the introduction of courses in commercial administration (26 trainees) and personnel management (20 trainees).

A total of 462 persons from the French-speaking community underwent tertiary-sector training courses organized in 1980 by ONEM either alone (186) or in cooperation with subcontracting institutions. In addition, 121 persons underwent training in business administration, the majority in the commercial field. All 583 worker/trainees came from the small and medium enterprise sector and reported experiencing a need to upgrade their skills.

The ONEM Annual Report 1980 concludes that "this flow of applicants for training can be explained by an awareness among working people which the economic crisis has rendered more acute that training is needed as a means of safeguarding employment."

2.2.2 Individual training opportunities financed by the Ministry of Education

The training opportunities financed by the Ministry of Education are the traditional adult education courses organized by the state at national, regional, and local level. The training provision covers a wide range of subjects, the level is usually equivalent to lower secondary education, and the courses are held either in the evenings or on Saturdays. This is the traditional "second-chance" educational path, seeking to promote vertical advancement and, although to a lesser extent, horizontal advancement by means of retraining. A total of 200,000 persons attend courses offered each year at 490 adult education centres.

2.2.3 Individual training opportunities financed by the Ministry for Middle Class Affairs

These training opportunities are designed for all independent, i.e. non-salaried persons and persons employed in craft and small industrial enterprises. The various types of training offered include

- long-term refresher and advanced training for entrepreneurs, combined with individualized assistance[1/]
- retraining measures for entrepreneurs and their employees wishing to start another independent business.

The organization of all these measures is contracted out by the Ministry to non-profit training organizations.

2.2.4 Training leave

Introduced by virtue of the royal decree of 10 April 1973 (Law on credited work hours), training leave may be granted to an employee who fulfils a number of qualifying conditions. The cost of training is shared equally between the state and the employers associations (levy in the amount of 0.2% of the total payroll). The legislation affirms the employee's right to continue his general and vocational education by obtaining leave of absence from his workplace for a specified number of hours without loss of salary. Training leave in this form could serve as a most convenient means of refreshing or upgrading existing skills or learning a new trade, but less use has been made of this opportunity than might have been expected. The poor response can be explained by coordination deficits, reluctance on the part of the employers to release staff and fear on the part of

1/These measures serve in the first instance to prevent bankruptcy rather than unemployment. However, this type of training could represent a constructive approach to similar problems in somewhat larger small and medium firms.

the employees of losing their jobs in a critical employment situation.

To summarize, the individual training measures which might be considered as preventing unemployment are relatively few in number and are in any case difficult to quantify insofar as unemployment prevention is not usually one of their explicit objectives. Although it would be imprudent to make any categorical statements in this respect, it can be estimated that ONEM training measures to prevent unemployment accounted for a maximum figure of 4,000 persons in 1980. It is doubtful whether those presently attending the reception, orientation and observation centres should be added to this figure since the majority are still unemployed youths and unemployed adults in danger of marginalization. The proportion of those who have been notified of impending redundancy and are therefore seeking retraining possibilities with a view to precluding unemployment remains only low.

The number of individual training measures offered by other bodies which fall within the category of unemployment prevention measures cannot even be made the subject of conjecture.

With regard to collective training measures which might be regarded as preventing unemployment, these are basically those initiated by the state to assist firms or individuals. A total of between 6,000 and 7,000 persons benefited from such training measures in 1980.

The collective training measures organized and financed by private enterprise are difficult to qualify as unemployment prevention measures insofar as unemployment prevention is not their principal objective.

This would indicate, for an initial estimate, a figure of 11,000 persons who in 1980 participated in an individual or collective training measure which could be regarded as a prophylaxis against unemployment. This figure may be understated for the reasons explained in the foregoing, but it nevertheless remains low when compared with the total working population in Belgium (4,000,000 persons) who, at some time or other, may find themselves facing the risk of unemployment.

POSSIBILITIES OF DEVELOPING VOCATIONAL TRAINING TO PREVENT UNEMPLOYMENT IN BELGIUM

A policy of unemployment prevention integrated into an active employment policy would imply the following three needs:

1. Information on the structure of the working population by age and qualification level, on the number and nature of the entire spectrum of jobs available and sought, and on the mode of operation of the labour market. This information would have to be gathered at national level but also, and more importantly, at regional and local level. It would also be useful to isolate and examine the various employment poles in this connection.

2. Forecasts and a normative orientation framework which would permit the identification of job requirements and thus, by extension, training requirements for the coming years within the framework of a regional economic development policy understood here as the political will for a balanced regional development as the generator and guarantor of employment.

3. Identification of areas where employment is jeopardized (a region, town or firm) so that appropriate action can be taken in time to restructure or create new jobs. It seems that the most efficient policy instrument for assuming such an identification task would be a management-labour or even management-labour-state structure, since the decisions taken by such a body, assuming that genuine cooperation can be achieved, are less likely to be scorned as arbitrary or partisan.[1/]

The structures which would be able to implement such a policy already exist in Belgium, although they have not yet been able to discharge all these functions. The structures

1/For further details, see p. 6-8.

in question are basically the subregional and regional employment committees which, in cooperation with ONEM, the Ministry of Education, the Ministry for Middle Class Affairs, and private enterprise, investigate the training needs prevailing in each subregion and propose guidelines for policy-making. Moreover, since the employment committees themselves bring together the social partners and representatives of the various ministries concerned, they are indeed fully qualified to effectively accomplish the first two of the three tasks outlined above, namely, the compilation of information and the elaboration of forecasts and an orientation framework.

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FRANCE

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THE LABOUR MARKET IN FRANCE

The working population in France accounts for 39.5% of the total population. Just over one half of the labour force (55%) is engaged in the tertiary sector.

Total population (000)	Total working population (000)	including				
		agriculture (%)	industry (%)	others (%)	Unemployment rate as % of total labour force	
					1979	1980
53,478	21,114	8.8	36.2	55.0	5.9	6.3

Source: OECD Observer, March 1981

The working-age population has been increasing at a relatively rapid rate since 1975, and now 240,000 persons enter the labour market each year as newcomers seeking one of the only 60,000 new jobs created each year.

This recent expansion in the size of the working population can be explained partly by demographic factors (withdrawal from the labour market of the age group which suffered heavy losses during World War I and its replacement by the baby-boom age groups of the post-World War II period), and partly by the growing, irreversible trend among women to take up salaried employment (the female employment rate reached 43.9% in 1980).

Development of employment rate by sex (%)

	1974	1975	1976	1977	1978	1979	1980
Men	71.8	72.2	70.1	70.1	69.5	69.7	69.7
Women	40.2	40.8	41.3	42.1	42.1	43.1	43.4
Total	55.3	55.4	55.1	55.5	55.2	55.9	56

Source: INSEE - Enquête Emploi: Données sociales, 1981

The low level of annual job creation has provoked a distinct change in the attitude towards non-salaried, independent employment. In the period 1975 to 1980 fewer persons left the agricultural sector and slightly more turned to independent artisan activities than had been the case in the preceding years.

The principal cause of this low level of job creation can be traced back to the high number of jobs lost in the entire industrial sector (620,000 fewer jobs over a period of six years). The tertiary sector has been able to compensate in part for this downward development, although its growth has also slowed down in recent years: the period 1969 to 1974 with almost 240,000 new jobs each year has been succeeded by years in which the number of new jobs amounted to only 220,000. One fourth of the growth in the tertiary sector is accounted for by the non-commercial field: the public service and local government. However, contemporary technological developments indicate that here, too, the future will be somewhat more sombre.

These divergent developments are reflected in the structure of the working population when classified acccording to socio-occupational criteria. The period 1974 to 1980 reveals a relative decline in the number of independent farmers, entrepreneurs in industry and commerce and manual workers which was balanced by an increase in the number of independent professionals, senior and medium-level executive personnel and employees. At the same time, there was a sharp increase in the number of persons who left school after completing the initial course of general or technical secondary education.

Working population by sex and socio-occupational category (%)

Socio-occupational category	1974			1980		
	Men	Women	Total	Men	Women	Total
Independent farmers	8.2	8.8	8.4	7.4	7.1	7.3
Farm employees	2.5	0.5	1.8	1.9	0.5	1.3
Entrepreneurs in industry and commerce	9.2	9.3	9.2	8.4	7.7	8.1
Professional and executive staff	8.4	3.8	6.6	10.3	5.3	8.4
Supervisory staff	12.1	14.9	13.2	12.5	17.4	14.4
Employees	9.3	27.3	16.1	9.5	28.2	16.8
Manual workers	45.4	22.8	36.9	45.0	20.2	35.3
Service personnel	2.0	12.2	5.9	2.1	13.2	6.5
Others	2.9	0.4	1.9	2.9	0.4	1.9

Source: INSEE - Enquête Emploi: Données sociales, 1981.

During this same period, the unemployment rate increased steadily, progressing more rapidly towards the end of the period and again in 1980 and 1981 to reach 9% of the employable population in January 1982, thereby exceeding the psychological threshold of two million unemployed.

Development of unemployed rate as % of working population by sex and age group between 1974 and 1980

Age group	Men							Women						
	1974	1975	1976	1977	1978	1979	1980	1974	1975	1976	1977	1978	1979	1980
under 18	7.3	10.3	17.5	15.9	14.8	14.7	18.1	14.0	23.0	33.5	34.7	35.7	41.6	46.4
18 to 24	3.1	6.5	6.8	8.1	8.5	10.3	10.8	5.8	8.2	12.4	13.9	13.7	17.2	21.4
25 to 39	1.0	2.1	2.3	2.3	2.8	3.2	3.0	2.3	3.5	4.2	4.6	5.1	5.8	6.1
40 to 49	0.9	1.9	2.2	2.2	2.4	3.1	2.4	1.5	2.8	3.0	3.1	3.6	3.7	4.1
50 to 59	1.0	1.9	2.2	2.6	3.1	3.7	3.6	1.6	2.9	3.5	3.7	3.6	4.5	5.5
over 60	1.8	2.1	2.8	3.6	3.6	2.5	3.7	2.3	1.6	3.1	3.4	2.4	2.1	4.1
Average	1.4	2.7	3.1	3.3	3.6	4.2	4.2	2.9	4.3	5.7	6.2	6.3	7.4	8.6

Source: INSEE - Enquête Emploi: Données sociales, 1981.

Unemployment rate by socio-occupational category in 1975 and 1980

Socio-occupational category	March 1975 (%)	March 1980 (%)
Independent farmers	0.2	0.3
Farm employees	2.2	6.1
Entrepreneurs in industry and commerce	1.2	1.2
Professional and executive staff	1.6	2.1
Supervisory staff	1.9	2.9
Employees	4.0	7.0
Manual workers	3.9	6.1
Service personnel	5.3	8.6
Others	2.5	1.2
Average	3.5	6.5

This situation is the result of not only a marked reduction in the pace at which jobs are created but also a stricter approach to manpower policy: the deceleration in the economic growth rate and stiffer external competition have necessitated major reorganizational measures and a cost-saving approach to personnel policy.

One consequence of this rationalized approach to personnel policy is a greater readiness to accept "precarious" jobs. Job quality is no longer the same for all, and the past ten years have witnessed a more distinct differentiation of employment status with the spread of:

- temporary employment,
- short-term contractual employment,
- undesired part-time employment (short-time).

The increase in precarious types of employment means that more people are finding themselves more often on the labour market—and also among the unemployed.

Two categories of the workforce are particularly gravely affected by this phenomenon: women and young people.

The female unemployment rate is twice as high as the male unemployment rate, a situation attributable to the traditionally precarious nature of typically female occupations, their shorter duration of service with the firm, and their predominance in sectors now being restructured, for example, the textile sector.

The youth unemployment rate is high: the figures for 1980 were 18.1% among boys and 46.4% among girls under 18 years of age (i.e. those with the lowest standard of general and vocational training); and 10.8% among young men and 21.4% among young women aged between 18 and 24 years. This high rate of unemployment likewise results from the specific type of jobs open to young people and the reluctance among employers to recruit them in default of specific financial incentives.

However, it appears that the acquisition of certain qualifications considerably improves young persons' prospects of finding work: the higher the level of qualification, the lower the risk of unemployment. Technical qualifications (in particular the vocational training certificate (CAP) and higher technical certificate (BTS)[1/] for boys and the BTS for girls), substantially reduce the likelihood of unemployment.

1/ CAP = Certificat d'aptitude professionnelle, a technical qualification awarded upon successful completion of the short cycle of secondary education.

BTS = Brevet de technicien supérieur, a technical qualification awarded upon successful completion of the short cycle of higher education.

Unemployment rate among school-leavers by qualification level (%)

Sex	Year	No formal qualification	BEPC	CAP/BEP	Baccalauréat or higher ed. diploma	Average
Men	1973	12	5	6	8	9
	1977	29	22	17	13	20
Women	1973	18	16	10	8	13
	1977	44	20	26	16	26

Source: INSEE, Données sociales, 1981.

Unemployment is not uniformly distributed throughout the country, with clear regional disparities being evident between the high-unemployment regions in the North, the Mediterranean, and the West and the —in comparison— low-unemployment regions such as the Paris basin, the East, and the Rhône-Alpes region.

Unemployment rate by region in 1980 (%)

Greater Paris	5.9
Paris basin	7.9
North	9.9
East	5.8
West	8.8
South-West	8
Centre-East	6.9
Mediterranean	10.2
Aggregate	7.5

Source: INSEE and Ministry of Labour, Données sociales, 1981

There has also been an increase in the various special forms of unemployment such as part-time unemployment (short-time work) and long-term unemployment.

Short-time work, a very prominent feature of the years 1975 and 1976, has again been on the increase since 1980, when 1.7 million workdays were lost. The most gravely affected sectors are iron, steel, metal-processing and automobile manufacturing. The increase in short-time work is an accurate reflection of the declining economic situation.

The survey showed that the average duration of unemployment has increased rapidly in the past few years, progressing from 7.6 months in April 1975 to 11.5 months in March 1980. This prolongation has been particularly marked among young people and workers aged over 50, with women (blue-collar workers) being more seriously affected than men (white-collar workers, foremen and technicians). Owing to cutdowns in recruitment, the labour market is now tending to resemble an ever lengthening queue which the firstcomers are not the first to leave, for the prospects of finding employment diminish as the period of unemployment increases. And irrespective of the state of the economy, typical additional negative factors such as age and residence in a high-unemployment region play an increasingly important role in preventing the reintegration of the long-term unemployed.

Public intervention on the labour market has a relatively long tradition in France and is characterized by a neoclassical labour market concept: efforts to ensure transparency and fluidity on the labour market which are concentrated essentially on the labour supply. The most important regulatory measures to date have been:

- the establishment of the National Employment Fund (Fonds national de l'emploi-FNE) in 1963 to provide retraining opportunities ;
- negotiation of agreements and enactment of legislation on continuing vocational training in 1966, 1970, 1971, 1976, and 1978 in order to adapt workforce capabilities to the changing needs of the economy;
- the establishment of the National Employment Agency (Agence nationale pour l'emploi-ANPE) in 1967, the function of which is to compile information on and secure a balance between the labour supply and demand.

From the outset of the economic crisis until 1977,[1/] the employment policy pursued in France remained fundamentally defensive in nature. Anticipating the onset of a classical Keynesian upswing and a rapid return to the economic growth rates achieved in the pre-1974 period, employment policy sought to maintain the status quo in the employment situation and to protect the employed and their jobs by means of partial public financing of loss of earnings in the event of short-time work, additional benefits in the event of redundancy, and greater recourse to incentives for early retirement.

As the number of redundancies swelled, these piecemeal measures for specific target groups only proved to be grossly inegalitarian and inappropriate. The policy transpired in the last analysis to be a costly policy of assistance.

In 1979 the logic on which state action was based underwent a transformation. It had by now become evident that the economic crisis was to be long-term and profound and that it would challenge the country to undertake a rapid restructuring of its industrial base. From 1978 onwards employment policy in France took account of and sought to govern the ever more necessary process of industrial restructuring and, at the same time, developed incentives designed to encourage older workers to withdraw from the labour market and foreign workers to return to their home countries. For young people, it introduced an instrument of occupational integration culled from the experience gained from past schemes, namely, the concept of national employment pacts.

To turn more specifically to vocational training policy,

1/ Colin, Cros, Verdier, Welcomme: Politiques d'emploi: la rupture de 1977. Travail et Emploi, no. 10, Oct.-Dec. 1981.

this had become very much an instrument of employment policy with the adoption of the Sixth Economic and Social Development Plan for the years 1970 to 1975. The preceding years having displayed an acute shortage of certain skills, for example those in the technical field, vocational training policy was henceforth to provide the economy with the skilled manpower it needed. It was this situation which led to the adoption of the important 1971 legislation on vocational training (16 July 1971).

Whereas vocational training opportunities were originally offered to individual or corporate initiative as a promising means of social and occupational advancement, their objective changed rapidly in the wake of the nascent economic crisis. Public funds were henceforth directed primarily towards training opportunities for the unemployed: adaptation and retraining courses and, more particularly, the training and placement of young people. At the same time, industry began availing itself of training as an instrument for rationalizing the management of its personnel.

The public training effort in favour of jobseekers was not to remain consistent: it subsequently developed in line with the two different employment policies pursued between 1974 and 1981. Between 1974 and 1977, the primary objective of vocational training policy was to adapt or retrain jobseekers who had fallen victim to industrial restructuring. The measures took the form of

- training courses run by the Adult Vocational Training Association (AFPA),[1/] which accommodated a particularly high number of trainees in 1975;

- adaptation and retraining courses run by the National Employment Fund (FNE),[2/] at which the attendance rates con-

1/AFPA = Association pour la Formation Professionnelle des Adultes, a tripartite state-management-labour body subordinate to the Ministry of Labour. AFPA is the most important training institution in France.

2/FNE = Fonds National de l'Emploi, a budgetary item,not a corporate institution.

tinuously declined, even after 1977.

Conceptualized during a period of economic growth, this vocational training policy ultimately proved to be inadequate and ill-suited in the light of the increasing critical economic situation. The training measures introduced by FNE were initiated at the last minute and were likened to an "oxygen balloon" in the Auditors' Report of 1980; they did not suffice to rescue failing enterprises, nor could they ensure the occupational reintegration of redundant workers.

The vocational training policy adopted from 1977 on was to place less emphasis on training opportunities for jobseekers. Since the concomitant employment policy did not place emphasis on promoting job creation, it was not considered necessary to flank it with a corresponding vocational training policy.

The only training measures initiated by the state since 1977 have been designed to assist young people. Comprised within the above-mentioned national employment pacts, they have embraced the concept of combined employment and training: contracts for alternating periods of training and work, practical in-firm training courses (period of work incorporating a brief induction training), and traditional vocational training courses likewise incorporating a period of in-firm training.

Although perhaps satisfactory from the quantitative viewpoint, the results of these youth employment programmes have been less so from the qualitative viewpoint. They have been criticized in particular, in default of an active employment policy to promote job creation, for accentuating the precariousness of the situation in which young people find themselves and for merely seeking to provide immediate employment.

The national employment pacts were renewed in 1981/82 with a few minor modifications under the name of the Youth Future Plan (Plan Avenir Jeunes) as an interim measure prior to the implementation of broad-scale action as recommended in the Schwartz Report.[1/]

The vocational training provision for adults is also expected to be entirely reinvigorated and reoriented in 1982: "Some economic branches will experience decisive changes... Here is the ground par excellence for tripartite action to retrain and upgrade tens of thousands of workers. This step is essential if vocational training is to free itself from its present role as an ambulance for the victims of industrial redeployment and become a genuine collective instrument of social advancement and positive occupational mobility."[2/]

This perception of the situation could permit the development of a policy explicitly designed to prevent unemployment and even the implementation of the concept of alternating periods of work and training. Despite legal provisions offering scope for preventive training, this has not yet been the case. Accordingly, this review of the training measures adopted to date which could—implicitly—help to prevent unemployment will necessarily focus on those introduced to accompany industrial restructuring operations.

1/B. Schwartz: The integration of young people in society and working life, Report for the Prime Minister of France (published in English by CEDEFOP, 1982)

2/J. P. Duparc: Les nouvelles orientations de la formation professionnelle continue. Droit Social, No. 2, February 1982, p. 174.

1. COLLECTIVE TRAINING MEASURES TO PREVENT UNEMPLOYMENT

1.1 State Action

The collective training opportunities offered by the state which can implicitly prevent unemployment are articulated via

- legislation,
- the promotion and financing of experimental projects,
- public institutions charged with retraining workers.

1.1.1 Legislation

Unlike the other countries examined in this Report (Belgium and Italy), France, on 16 July 1971, adopted legislation providing for training to be offered as a prophylaxis against unemployment.

In the event that such preventive training is supported by the state, it is primarily accessible to jobseekers and is regulated by agreements concluded with AFPA or FNE.[1/] This type of training provision rapidly gained in importance as unemployment increased during the late 1970s and now accounts for 40% of all public funds allocated for vocational training purposes.

In the event that preventive training is financed by industry, it is intended to benefit existing employees. The legal definition of the concept of unemployment prevention has undergone a change in recent years. Whereas initially it was only those employees covered by the purview of the 1970 agreement who had the right to training leave in the event that they faced redundancy owing to economic circumstances, legislation adopted in 1971 extended this

1/ The retraining opportunities offered by AFPA and FNE will be examined in detail elsewhere in this Report.

entitlement to all employees in such circumstances. The employee may select a course of training of his choice and is entitled to continue receiving his salary from his employer during training until the date at which his employment contract is effectively terminated. His salary payments for the remaining term of the training up to a maximum period of one year then become the responsibility of the institutions in charge of administrating unemployment insurance benefits.

A codicil appended on 9 July 1976 to the 1970 agreement modified the latter to the effect that henceforth the right to training leave should be extended to certain categories of employee whose employment was endangered. The 1978 legislation again extended this provision to cover all salaried workers.

However, only few salaried workers finding themselves in these circumstances have in fact exercised their right to training leave, the percentage remaining stable at approximately 3% of all trainees from private enterprise. This suffices to show that unemployment prevention is not a major preoccupation of industry (indeed, 88% of all training measures financed by industry are designed to upgrade skills). Unemployment prevention training thus cannot expand without state assistance in the form of financial support or incentives.

1.1.2 Promotion and funding of experimental measures

It is expedient in this connection to report on the origin of such forms of collective training and retraining measures. The first measure, described in an article by F. Godinot[1/] in fact conformed with the criteria governing this study but took place before the time specified as its point of departure:

1/ F. Godinot, Les actions collectives de formation d'adultes. Cadres CFDT, no. 286, November 1978 - January 1979.

"The first collective retraining measure was implemented in 1966/67 in the iron-mining basin of Lorraine by CUCES, the well-known training institution headed by Bertrand Schwartz. Financed by the state, it was a pilot project to retrain iron-miners who had been made redundant after the mines were closed... The training was intended to enable the miners to qualify for another occupation and to continue to live and work locally. By retraining the local manpower, this measure was also intended to encourage the establishment of new industries. However, the objectives went far beyond economic necessities, and reference was frequently made to B. Schwartz' statement: "Training should be a means of liberation," signifying that this measure was rather an attempt to change society."1/

The training was organized entirely by the trainees with the participation of the various bodies involved.

Two years after the launching of the project, the training provision was expanded to include more than exclusively retraining courses and was furthermore made accessible to all the local population. A number of those who availed themselves of this opportunity subsequently acquired the vocational training certificate (CAP) by means of cumulative study units. The registration rate lay between 0.5% and 10%, depending on locality.

In 1968, the local politicians called for a training measure of the same type to be introduced to benefit the local coal-mining basin, which was also meanwhile encountering economic difficulties. At the request of the trade unions, the training offered was likewise made acccessible to all in an attempt to upgrade the regional educational level. Between 1.5% and 3% of the local population registered for training each year.

1/F. Godinot, op. cit.

Further collective training measures followed in other areas suffering from the economic crisis:

- in Sallaumines and Roubaix-Tourcoing (coal-mining basin),
- at Montceau-les-Mines (coal-mining basin),
- near Mulhouse (potassium basin),
- at Fougères (footwear industry),
- in Normandy (Orne, Ouche, and Perche areas), where efforts were made to promote adult education among a rural population.

In 1975, a cicular published by Granet, the then Secretary of State for Vocational Training, lent official substance to the de facto situation by determining the objectives and nature of collective training measures:

"A collective training measure can be initiated in any area characterized by an important disequilibrium (economic, geographical) which is acknowledged at regional level... The approval of the Regional Committee for Vocational Training, Social Advancement and Employment is required before assistance can be awarded to the area concerned within the framework of regional training policy. It is also necessary that the local population, represented by the local public authorities, employers' institutions, trade unions and other representative associations, agree to take part in the collective effort to achieve progress in the locality.

"Assuming that these preconditions are met, decision will be taken at national level (Office of the Secretary of State for Vocational Training) and funds will be allocated from the national budget to the region in sufficient measure to ensure that the training can be offered free of charge.

"The training measure is to be managed by a local committee composed of representatives of the local population...

This local committee is to be chaired by the local Sub-Prefect or the head of the local education authority... and will in all instances include representatives of the public authorities.

"The local committee should ensure that there is coordination among the various educational instituions concerned, that the pedagogic methodologies employed are appropriate and innovative, and that the training provision is accessible to all members of the population, including in particular the most disadvantaged. The following elements are indispendable:

- comprehensive local awareness of the training opportunities,
- continuous guidance, orientation and follow-up for the trainees,
- organization of studies in the form of cumulative units,
- self-evaluation on the part of the trainees,
- convening of official examining boards for courses leading to a recognized qualification,
- training of trainers by discipline and also as multidisciplinary teams,
- elaboration and production of suitable pedagogic material."

Annex I provides an example of a collective training charter, in this instance that adopted by the project committee for the Lorraine coal-mining area in 1972. The terms of the charter reveal a genuine concern to offer quality training which is accessible to all and tailored to meet reported needs.

However, collective training measures based on local demand did not continue beyond 1974-75. The intensification of the economic crisis caused the state to modify its priorities in favour of strictly occupation—oriented training courses to accompany industrial restructuring operations, and the

funds made available for this type of local or regional collective measure rapidly diminished or were at best made conditional on compliance with a range of standardizing criteria which operated as de facto restrictions.

1.1.3 Retraining provision offered by FNE and AFPA

Both dating back to the pre-crisis period, these instruments of state intervention have the task of monitoring the development of French industry, adapting manpower to suit its requirements, and mitigating the impact of negative employment trends on the labour force.

1.1.3.1 National Employment Fund (FNE)

FNE was established by virtue of legislation adopted on 18 December 1963. Not endowed with a legal personality, FNE is an aggregate budgetary fund administrated by a governmental employment commission (Délégation à l'emploi). Its objective is "to provide the Government, within the framework of its social policy, with the means to assist workers in coping with contemporary occupational mutations by substituting for a period of underemployment new prospects of occupational upgrading and career advancement and a smoother integration into the production process...".

The constituent act provides for retraining allowances to be granted to redundant salaried workers who undergo a course of vocational training, and for transfer, relocation, and installation allowances for workers who agree to leave an area with a high rate of underemployment.

It also stipulates that in those regions or with respect to those occupations which already display or are likely to display grave employment imbalances, the Minister of Labour may himself intervene or delegate responsibility for coordinating reclassification, placement, and retraining operations.

FNE training activities take place on the basis of agreements negotiated between the Ministry of Labour on the one hand and firms or training institutions on the other. Some such agreements provide for retraining measures similar to those otherwise offered by AFPA. Others are more specifically concerned with occupational adaptation.

FNE retraining measures

These measures are intended to lead to qualification as trained worker grade 1 (OP 1) or higher and may be initiated in the event of:

- an in-firm restructuring operation introducing major modifications in the firm's activities (internal retraining);
- a reduction in the number of employees (external retraining);
- large-scale redundancies owing to economic factors (closure of firm, in which case financial assistance is sought from the firms which intend to recruit those thus made redundant);
- an urgent need for skilled labour.

The purpose of these measures is self-evident: the first preoccupation is to maintain workplaces, and the second is to facilitate access to a new job. Their effectiveness has subsequently been proved in instances involving assistance to the victims of layoffs and restructuring operations.

In quantitative terms, the most remarkable success was achieved by the FNE-funded operations organized for the workers in the coal mines and the iron and steel industry in northern and eastern France. Between 1968 and 1976, a total of 9,500 coal-mine workers underwent FNE retraining courses.

An agreement concluded on 9 July 1971 stipulated that the French Coal Board and the coal-mining firms were to intensify

their training efforts with the twofold purpose of promoting internal advancement and preparing miners to enter different occupations.

A further agreement concluded on 24 July 1979 protecting the social rights of iron and steel workers in eastern and northern France stipulated that "every effort shall be made to ensure that the employees concerned have access to the vocational retraining they may need to obtain a new job requiring qualifications which are equivalent or superior to those required at their former workplace" (Art. 44).

However, from the viewpoint of their impact in terms of employment, many of these massive retraining operations ultimately failed owing to insufficient analytical forecasting and a correspondingly ill-advised reorientation of production.

Successful retraining projects are indeed difficult in these mono-industrial regions: "The jobs created and the training offered in these areas have not always met the expectations of the working population. Many of the new jobs, in particular manual jobs, have implied a significant drop in wage level and less skilled work. In a study on government action in the field of training in the Nord/Pas-de-Calais region, the Employment Research Centre[1/] reports: "Job creation would have been more effective if the retraining measures conducted until 1969/70 had not been based on an anticipated development of the industries already established in the region, for these were in fact industries in decline... Establishing industrial estates and offering incentives, even the most generous, does not suffice to attract industries to an area which is experiencing a recession. That which is absolutely

1/ Centre d'études de l'emploi (CEE), Paris: Bulletin d'information du CEE, No. 35, December 1978.

necessary is a profound transformation of the region—construction of new infrastructure, the development of tertiary activities, and more intensive education and training."[1/]

Retraining measures such as those offered in the coal-mining and iron and steel industries were also initiated in the agricultural sector. However, the 86,000 persons who benefited from these measures, of whom 9,200 were wage-labourers, represented only a very small group compared with those who fled from the rural areas between 1963 and 1975.

Furthermore, a report of the French Supreme Audit Office[2/] on FNE activities states: "The type of training offered is not always sufficiently clearly defined to permit supply and demand to be more or less balanced. For example, employees of naval construction and repair firms experiencing economic difficulties, mainly those in the département Bouches-du Rhône, were given FNE-funded training to qualify as allround welders, this despite the fact that there are only poor job prospects for this type of welder and that there is a shortage of specialized welders on the construction sites for nuclear power stations... Furthermore, one major metalworking firm in the Loire found itself obliged to provide in-firm training for workers who were supposed to have been suitably qualified after completion of FNE-funded training."

In fact, only few emplyoees are concerned by this type of FNE-financed retraining measure: the number lay at approximately 14,000 between 1975 and 1978. In 1978, the relatively high figure of FF 15 million was invested in training for

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1/ Reported in J.-P. Murcier: L'orientation et la reconversion des adultes, report to the Economic and Social Council, 1980.

2/ Cour des Comptes: Rapport au Président de la République suivi des réponses des administrations. Journal Officiel No. 5027, 1980.

2,000 persons, the majority of whom learned the skills required for work in metal-processing, construction, public works, or textiles. The main regions concerned were Rhône-Alpes, Nord Pas-de-Calais, Pays de Loire, Midi-Pyrénées, and Ile de France.

Occupational adaptation

This type of contract-governed FNE-funded training scheme does not usually permit the trainee to learn a different occupation. Rather, the training is intended to adapt existing skills to the requirements of the workplace: training takes place entirely or primarily at the workplace and may be to some extent productive.

As in the retraining scheme described above, the state (FNE) assumes responsibility for financing the operating costs and part of the trainee's salary.

In view of the fact that occupational adaptation training takes place at the workplace, there is a grave danger that the training provision ultimately becomes non-existent or very rudimentary. This has indeed been the case in the textile industry.

The number of agreements concluded for occupational adaptation training declined considerably between 1975 and 1978, and the number of employees participating is now no higher than approximately 9,000. It is self-evident that this type of training scheme is expedient primarily during periods of economic growth as a measure to accompany restructuring and job-creating operations. Government expenditure on FNE-funded occupational adaptation training amounted to more than FF 20 million in 1978.

The main sectors involved are automobile and other vehicle manufacturing, electrical and electronic assembly, the garment industry, the chemicals industry, and mechanical engineering. Six regions have shown particular interest in this type of adaptation training: Nord/Pas-de-Calais (where the most comprehensive measure was that undertaken in 1978 at the Société Française de Mécanique located at Haisnes), and Aquitaine, Rhône-Alpes, Lorraine, Bourgogne, and Centre.[1/]

In view of the rapidly declining number of trainees (23,000 in 1973 but only 14,000 in 1979) and, in contrast, the increasing investments required (FF 130 million in 1975 but FF 1,399 million in 1980 (current FF)), one might be justified in questioning the necessity for continuing this FNE assistance-type activity. Such a question is all the more pertinent in the light of a circular of 21 January 1980 on training and skill adaptation agreements, which specified that priority should be given to the employment problems arising in firms, regions, and sectors which are being hardest hit by technological changes and the overall economic situation. Recalling the deliberately ad-hoc and temporary nature of FNE activity, it goes on to ask whether the express objective of reserving FNE funds for the solution of urgent problems could not also provide scope for unemployment prevention and continual skill adaptation measures and thereby pave the way for an active employment policy."[1/]

The 1980 Report of the Supreme Audit Office, for its part, proposes that "assistance provided from FNE funds should

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1/ Le Fonds National de l'Emploi. Centre INFFO, March 1980.
2/ Murcier Report, op. cit.

in future be designed to accompany or complement economic incentive schemes intended to adapt or strengthen industrial structures, diversify activities and upgrade corporate management in order to increase competitiveness and better equip firms to withstand cyclical hazards."
Such a concept would in fact represent a measure to prevent unemployment.

1.1.3.2 Adult Vocational Training Association (AFPA)

AFPA is responsible for providing training, both individual and collective, to accompany industrial restructuring operations. The largest training institution in France, AFPA has association status and is administered on a tripartite basis by representatives of the public authorities, management and labour.

Four sectoral committees are competent for the following occupational sectors:

- construction and public works;
- metalworking, and mechanical, electrical, and electrotechnical engineering;
- office work, accounting, informatics, the hotel trade, and marketing;
- chemicals and synthetic materials.

Twenty-four national subcommittees specialize in individual trades, and 101 local subcommittees are competent for affairs in the various départements.

AFPA fulfils an important function in retraining workers who are either unemployed or threatened with unemployment. It has gained comprehensive experience in organizing training at initial and intermediate level and in the specialized types of training required for various target groups:

- basic vocational training offering access to a skilled job;
- advanced training and refresher courses in a given specialism;
- repeat training for persons having temporarily interrupted their career, in particular women;
- pretraining courses, in particular for young people.

The number of persons registering for AFPA training courses increased rapidly in the early 1970s (+ 6% annually: from 76,000 trainees in 1972 to 100,000 in 1975[1/]). Two factors, however, limited the actual significance of this development:

- "an expansion of the notion of retraining which is causing a number of already employed persons to seek AFPA training in order to obtain a qualification they require for promotion";[2/]
- in 1974 and 1975 more than three quarters of the trainees were young people between 16 and 25 years of age, of whom at least some were still registered within the formal education system.

The number of trainees accommodated by AFPA has been stagnant since 1975 at a total of approximately 60,000 annually. The still increasing number of applications for training has caused a considerable lengthening of the waiting period before a vacancy occurs (48% of trainees wait longer than six months before obtaining a training place, and 20% wait longer than one year).

1/ Projet de Loi de Finances pour 1977. Annexe Formation Professionnelle et Promotion Sociale. Imprimerie Nationale.

2/ Rapport du Comité Emploi-Travail du VIIè Plan, p. 209.

Trainees undergoing AFPA training

1978	1979	1980
68,218	69,479	88,886

Source: 1982 draft budget

The majority of trainees (65%) are training for the construction and metalworking sectors, despite the grave economic difficulties now being experienced here: 32,000 jobs lost annually in the construction sector between 1973 and 1979, and a total of 54,000 jobs lost in the metalworking sector over the same period. This circumstance indicates clearly that AFPA has not sufficiently adapted its training provision to current economic requirements.

Sixty-eight percent of the trainees undergo training equivalent in standard to the short cycle of secondary education, and 23% and 9% the equivalent of the lower level and higher level, respectively, of the long cycle of secondary education. The placement rate after training remains high, testifying to the quality of the training provision: circa 40% of trainees are found jobs upon completion of training, and almost the same percentage find work within weeks of completing the course. Nonetheless, almost 28% of trainees were still unemployed six months after completion of their training in 1979 as opposed to only 5.7% in 1974.

AFPA is encountering other difficulties which are attributed to

- "insufficient training capacities reserved in the first instance for jobseekers;
- overemphasis on male workers in the industrial sector;
- training centre locations which no longer correspond to the geographic distribution of the workforce;

- insufficient funds, a fact which not only explains why AFPA development has now come to a halt but which also threatens to compromise its functioning and, in the long term, its being able to adapt itself to technological change."[1/]

This brief summary reveals that there has been a decline in the number of state-run training measures which contribute towards preventing unemployment and, in the light of increasing unemployment, a modification of the objective of training schemes in the direction of time-occupation: "The choice of course has become dependent on the training already offered, and training is regarded as a means of not allowing legal rights to lapse and not remaining inactive. The authorities themselves appear to have accepted the situation, almost as if training, although unable to create jobs, can at least attenuate the traumatizing effects of unemployment and the frequently concomitant disorientation."[2/]

1.2 Action Undertaken by Private Enterprise

Faced with a need to restructure—new technologies and administrative rationalization to improve productivity or the absolute disappearance of production or service units—firms appear to be making only little use of training as a means of requalifying their personnel to cope with the changed situation. Only some of the larger industrial groups are exceptions in this connection.

Whether or not recourse is had to training depends on whether the restructuring operation was foreseen and accounted for in corporate policy forecasting or simply took place without prior preparation and reflection.

1/ Murcier Report, 1980. op. cit.

2/ Murcier Reprot, 1980, op. cit.

In the first instance, there is wide scope for internal retraining and the firms' training plan is one valuable instrument for preparing workers for their future activity.

In the second instance, when the restructuring operation is not foreseen,

- either responsibility for training is transferred from the firm to the public authorities, often with diminished results because the training provision is then no longer oriented specifically towards the needs of the firm, or,
- the firm proposes or organizes a kind of training "alibi" with a view to getting its "social compensation plan" accepted by the personnel representatives and by the département labour and employment authority.[1/]

But here again, just as was found above to be true of state action, training is losing profile in these times of economic crisis, largely because of the increased use being made since 1978 of early retirement schemes.

Of the restructuring operations which were foreseeable and successful and in which recourse was had to training, those undertaken by the groups Rhône-Poulenc, BSN, PUK, Lesieur, and Creusot Loire deserve special mention. The effectiveness of such undertakings depends on timely and far-sighted personnel management and concerted action with the representatives of the workforce.

"The first example of this kind was undertaken by BSN at Rive de Gier (Saint-Etienne region) in 1977, when parts

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1/ D. Thierry: La formation à l'épreuve des reconversions collectives du personnel dans les entreprises. Education Permanente, No. 58, June 1981.

of one of its glass factories were closed down. The social compensation plan submitted by the management to the staff representatives and the département labour and employment authority envisaged the establishment of an industrial estate financed by BSN and the launching and development of three external industrial projects intended to create approximately as many jobs as were being eliminated elsewhere. Although this initial experiment subsequently failed to achieve the objectives fixed at the outset, it did permit the development of new concepts for restructuring combined with job creation within large industrial groups: BSN with respect to its plate-glass restructuring operation in the Nord region, Rhône-Poulenc with respect to its restructuring operation in synthetic textiles, etc. These measures were progressively expanded to include a range of instruments to develop existing enterprises and even establish new small and medium industries in the regions concerned... It is estimated that such measures have created 5,000 jobs in the past few years."1/

Despite the recruitment priority accorded them, only few employees made redundant were integrated directly into the firms thus created. This can be explained by the time lapses ensuing between job elimination and job creation and the reservation among former employees with regard to the distance to the new workplace or the less skilled nature of the jobs offered. As for the training undergone, this has been only marginally put into practice in working life.

Another example of a retraining operation, this time carried out within the firm, is described in the same article by D. Thierry: "The example of the computerization of the newspaper Ouest-France by means of an industrial plan negotiated

1/ D. Thierry, loc. cit.

and implemented step by step over a period of six years is a remarkable example of how a substantial degree of technological change can be satisfactorily assimilated from both the economic and the social viewpoint; in this specific case it is important to note that training played a significant role: each employee received circa 120 hours of training."

Thus with the exception of specific instances when employees were duly trained to cope with corporate developments, training has hitherto played an only limited role in restructuring, job-creation, and production diversification policies.

1.3 Action Undertaken by Management-Labour Institutions and Employee Groups

Collective training linked with employment problems is a field in which management-labour institutions are entitled to intervene; the same applies to the employees concerned, who may elect to take their future into their own hands.

1.3.1 Management-labour employment commissions

Management-labour employment commissions were instituted by virtue of the collective bargaining agreement on job security concluded on 10 February 1969, an agreement subscribed to by the major employer organizations and trade unions. A codicil of 21 November 1974 finalized the procedure to be followed in the event of mass redundancies.

Management-labour employment commissions operate at national level for each occupation or occupational group; some also operate at regional level.

In addition to conducting studies and compiling information on employment issues, these commissions have the specific

task of assisting workers threatened by redundancy when no satisfactory solution can be found at enterprise level.

In practice, their intervention in this respect is fairly restricted, for in many instances they are called upon too late and are insufficiently informed on employment problems in the branch or region in question to exert a constructive influence on retraining schemes.

Nevertheless, some regional commissions (e.g. that responsible for the construction sector), have meanwhile succeeded in establishing intervention bodies which have been able to make a positive contribution towards the reintegration of redundant workers.[1/]

1.3.2 Collective action taken by employee groups

Collective recourse to training by workers whose jobs are threatened is a difficult undertaking for two reasons: training is often not regarded by the firm as a constructive instrument of personnel policy and, by extension, a means of preventing unemployment, and often the workers themselves have no specific, realistic notion of the path which their occupational future should take.

These two factors together lead to a number of negative attitudes towards training:

- workers believe that to accept or call for training signifies de facto if not de jure acceptance of being on the redundancy list;
- trade unions are hostile towards training which facilitates departure from the firm;

1/Murcier Report, op. cit.

- enterprises are reluctant to release their most dynamic employees—whom they could still need—to undergo training;
- training is often regarded as merely a means of bridging a waiting period.

Before signing the collective agreements concluded upon the cessation of a unit's activity, workers may struggle to establish a right to re-employment with the newly restructured firm after suitable training, the training schemes and the number of employee benefiting from them varying from firm to firm: "A scheme to retrain the entire personnel may be offered in the event of a change in the production structure: this was the case in the ARNOUX-SALAMANDER factory (industrial dispute of 1973), for which the corporate rehabilitation plan envisaged the abandonment of luxury footwear and its replacement by cheaper footwear. The same applied at the DESOMBRE factory, an undertaking specializing in the industrial manufacture of shirts employing 25 persons. After its closure in 1975 and an industrial dispute lasting 18 months, DESOMBRE was bought up by an expanding local firm. The new owner, a manufacturer of curtains, re-employed those formerly made redundant at the end of a training course conducted in cooperation with the regional employment committee for Nord/Pas-de-Calais.

"In other such negotiated agreements, a training scheme is envisaged only for personnel not immediately re-employable... in view of the quantitative and qualitative requirements of the firm. Examples here include the famous case of the LIP company (1973 dispute) and also that of the TEPPAZ company (dispute of March 1975).

"A third type of negotiated agreement emerging from an employment dispute provides priority training for employees

immediately re-employed in the same manufacturing unit... (e.g. GRANDIN dispute, November 1974)... Two priority training schemes were envisaged for employees who had already been reintegrated: adaptation to the new workplace (requiring an equivalent qualification standard but different skills from those required at the previous workplace) and advanced training leading to new or better qualifications." 1/

Although such training schemes all qualify for government support, only few, if any, of the agreements of this type negotiated since 1978 have provided for collective training. Past experience indicates that such training was often passively undergone rather than actively desired, being regarded simply as a means of holding together the work community. Moreover, it often led, de facto, to an occupational downgrading.

It is thus only by way of a profound modification of attitude towards training on the part of both employers and employees that it will ultimately be possible to implement training measures which make a genuine contribution towards preventing unemployment.

1/ C. Poitevin: La formation à l'épreuve des reconversions collectives du personnel des entreprises. Education Permanente, No. 58, June 1981.

2. INDIVIDUAL TRAINING MEASURES TO PREVENT UNEMPLOYMENT

In the widest sense of the term, the entire French vocational training system can be regarded as a means of preventing unemployment. However, it is more appropriate in this context to isolate a few specific types of training and related measures which afford the individual more autonomy over and responsibility for his occupational future. This can be done by encouraging the individual not to simply accept retraining imposed from outside but instead to elaborate an independent concept of his personal occupational development and plan for retraining accordingly.

The measures which fall within this category are those concerning occupational orientation, the establishment of enterprises, and, in some instances, occupation-related adult education courses attended independently or within the framework of training leave.

2.1 Occupational Orientation

Occupational orientation paves the way for selecting a first or different occupation by seeking to strike a balance between the aspirations and aptitudes of the individual and the outlets on the labour market.

The French authorities play an important role in occupational orientation for adults, in particular via ANPE and AFPA.

2.1.1 The occupational orientation service offered by the National Employment Agency (ANPE)

ANPE has offered an occupational information and orientation service since its establishment in 1967. The service is intended to provide assistance in placement or referral to vocational training opportunities. ANPE activities in this field have now been redefined and expanded as a response to

the ever more critical employment situation.

A decree of 23 January 1980 outlined ANPE tasks as follows:

- to provide an occupational orientation service,
- to compile as much information and documentation as possible on training and training opportunities,
- to help direct vocational training resources made available within industry into constructive channels by bringing to bear its extensive knowledge of existing training opportunities and their effectiveness.

The occupational situation of those who turn to ANPE for guidance was found to be as follows at the time of ANPE consultation:

	Counselling %	Information %
Jobholders fearing redundancy:		
- permanent job	8	10.4
- temporary job	3	4
- redundancy notified	7.88	2.7
Unemployed:		
- made redundant	26.2	13.5
- dismissed	8.2	8
- expiry of contract	12.2	17
- resigned	6.3	6.7
- never worked	14.66	21.7
- temporary plant shutdown	5.2	4.6
- undergoing training	3.1	3
- others	5.4	8.4

Source: ANPE Annual Report 1979

This table clearly shows that the large majority of those seeking ANPE counsel and information have already lost their jobs; their consultation is thus not preventive in nature.

A survey conducted by IFOP[1/] shows that 16% of jobseekers consulting ANPE do so in order to receive orientation assistance and access to training. A potential clientele of 460,000 persons would thus be in need of counsel—more than 50% of those granted an interview each year.

However, ANPE still lacks sufficient personnel, premises, and equipment to satisfactorily accomplish all its tasks, in particular those concerning the compilation and dissemination of information and research findings.

2.1.2 The occupational orientation service offered by the Adult Vocational Training Association (AFPA)

In order to verify applicants' aptitude to undergo its training courses, AFPA has instituted a system whereby each individual is interviewed and attends an occupational consultation session which includes psychotechnical examinations conducted by a team of labour psychologists, a staff faculty which has existed at AFPA since 1938. The guidance given, however, takes less account of labour market vacancies than of the aptitudes and capabilities of the candidate.

AFPA and a number of other services also provide occupational guidance specifically for the handicapped and migrant workers.

2.2 Individual Training With a View to Setting up an Enterprise

Legislation adopted in January 1977 provides for financial assistance to be given to jobseekers who wish to establish their own enterprise. Introduced on an experimental basis and initially reserved for former executive staff, the

1/ IFOP = Institut Français d'Opinion Publique (French Public Opinion Institute), taken from the Murcier Report, op. cit.

provisions were expanded and extended to cover other employees by supplementary legislation adopted in January 1979.

No. of persons availing themselves of assistance to establish a business

1979	Jan.-June 1980
9,200	6,600

The beneficiaries are usually men (86%) aged between 25 and 50, with a technical background; the majority have qualified as skilled workers. Some undergo basic training in management to prepare themselves for their new undertaking.

Almost one half (49.2%) of the enterprises thus created are service enterprises, 23.3% are industrial enterprises, and 24.2% can be classified as belonging to the construction and public works sector. Two thirds are artisan-type enterprises, usually being run without the assistance of salaried staff.

Prospects of successful operation in these projects are very much dependent on the considerations and motives which originally led their founder to opt for this type of occupational future.

Under the present circumstances, the number of persons who can be assisted by such an approach remains restricted.

2.3 Social Advancement and Training Leave

Social advancement courses in the form of evening classes or distance education courses represent an after-hours training opportunity leading to a recognized qualification, often one of value on the labour market (CAP or BEP). Insofar, they can contribute towards reducing the risk of unemployment.

Training leave may serve the same purpose. In France all employees have enjoyed an individual right to training leave since 1971; it offers a vocational training opportunity to employees wishing "to acquire, maintain, or upgrade knowledge" and "obtain a higher qualification or change their field of work or occupation."

Only few persons have chosen to exercise their right to training leave, originally because there was no automatic provision for continuation of salary payment. Yet although legislation adopted on 17 July 1978 modified the eligibility conditions and remuneration provisions, the number of workers availing themselves of this training opportunity has remained low: 50,000 in 1979 and only 37,000 in 1980.

The situation on the labour market undoubtedly plays a decisive role in explaining this trend: employees hesitate to isolate themselves from the training scheme and collective advancement programmes drawn up by the employer in favour of taking a path which, in the short term, could lead to a loosening of their ties with their employer.

Thus the number of individual training opportunities which can contribute towards preventing unemployment remains limited. An initial assessment of the number of persons electing to take advantage of the various types of individual training examined here does not exceed 100,000 persons per year. This is in stark contrast to the situation with regard to collective training measures which can contribute towards preventing unemployment, where the figure was estimated at 130,0000 persons in 1980.

However, even the total number of persons (230,000) undergoing training of one type or another each year proves to

be only low when compared with the total number of working people whose jobs may be endangered.

The problem is thus twofold: firstly, the training measures examined above cannot fulfil but at most contribute towards achieving their ultimate objective of preventing unemployment, and secondly, they in fact only affect a limited number of persons. Under these circumstances, the question arises as to how unemployment prevention measures can be developed. It appears that much thought is being given to new development paths in France.

DEVELOPMENT PROSPECTS FOR TRAINING MEASURES TO PREVENT UNEMPLOYMENT IN FRANCE

According to the Bloch-Laine/Janicot Report[1] until 1981 the French authorities had been "spending more on inactivity than on promoting employment." A policy to prevent unemployment would presuppose the converse situation.

Training as an instrument of employment policy, a capacity which the above investigations show to have been somewhat neglected since 1977, could regain its significance within this context.

The proposals emerging from various political and trade union circles identify a number of needs:

1) The need for a policy reorientation in favour of "cost-saving growth," with distinct priority being given to "human expenditures" within which context vocational training should play an important role.

2) The need to modify initial and continuing training to take account of future technological change, avoiding an adaptation approach to training to cope with one specific technology in favour of providing a training basis which is sufficiently broad to permit assignment not to one specific post but to the first of a series of posts which may be acceded to step by step by means of continuing training. This presupposes a profound revision of the qualification and training structure to accord overriding importance to the transversal technologies now increasingly penetrating a wide range of occupations in

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1/ Bloch-Laine/Janicot: Bilan des aides directes et indirectes à l'emploi. Pour une politique du travail. Documentation Française, 1979.

numerous branches."[1/]

3) The need to decentralize economic development and, consequently, to elaborate vocational training plans with the social partners at regional level. Until now, reflections with regard to the so-called "employment poles" have not seemed to be sufficiently far advanced to permit a decentralization of employment and training problems to this level, although a number of "employment pole committees" (local employment committees) have meanwhile been set up on an experimental basis in order to coordinate the activities of all local action agents: firms, worker representatives, the administrations, local politicians, and, more generally, all representatives of the various population groups concerned. The management-labour commissions are also entitled to representation in these bodies. The principal function of the local employment committees is to elaborate, in consultation with the various parties concerned, forecasts on the development of employment in the locality and to outline and plan the measures required to provide a better insight into this development; they may also point out and express an opinion on any local manpower shortages.

Set up at the initiative of the social partners or the local authority, local employment committees are entitled to receive technical support from the public administration. Their structure, which does not rest on any specific legal status, has the advantage of being very flexible, but this operates to the detriment of their legitimacy.

There are at present some 50 such local employment committees, and another 50 are now being established. The regions in which they are most strongly represented are Brittany,

1/ G. P. Duparc: Les nouvelles orientations de la formation professionnelle continue. Droit Social, No. 2, February 1992.

Franche-Comté and the Pays de Loire, their predominance here being attributable to the presence of particularly dynamic forces in these areas. There are approximately 500 employment poles in France.[1/]

4) The need for concertation and cooperation, usually tripartite to embrace the local authorities, trade unions, and employers. A cooperation mechanism of the type envisaged for the local employment committees should likewise characterize the action taken at regional level and also be introduced at occupational branch level, where management-labour commissions are soon to be granted more authority by being invited to participate in research on the development of sectoral policies.

5) The need to develop sectoral industrial policies so that future developments can be controlled and appropriate retraining schemes planned to promote social advancement and positive occupational mobility among the workforce. Some sectoral development plans have already been elaborated, one instance being that for the machine tools sector (similar plans for the toy, textiles, and shipbuilding industries are at present being prepared).

The machine-tool sector development plan published in 1981 provides for two-pronged action in training policy:

- Training and retraining measures to enable the existing workforce to cope with contemporary technological changes. The technology-induced reorganization of the production system will imply substantial changes in work organization, a reduction in the number of low-skill jobs and an increase in the number of jobs available in assembly, adjustment,

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1/ The establishment of local employment committees to cover each employment pole was recommended in a report to the Conseil Economique et Social on the functioning of the labour market prepared by Mme Granrut and published in 1979; the existing local employment committees were established before the change of government in 1981.

design, and supervision. The plan seeks to implement an active training policy for 2,000 employees in this sector.

- Adaptation of the training system in preparation for the many new production technologies to be introduced in the coming years, which will provoke a modification of qualification requirements and working conditions. All relevant training bodies will be affected by this change in training provision, for which investments in technologically sophisticated material totalling FF 1.2 milliard are required.

6) The need to create one centralizing body which is nonetheless decentralized at regional level and tripartite in composition in order to mitigate the problems caused by the present multiplicity of institutions engaged in the labour-employment field. This new institution could be called the public employment office (office public de l'emploi); it would undertake activities in the fields of information, counselling, orientation, training, and placement, and would have the advantage of being the one and only contact address for the users.

Such an institution already exists in Belgium—the National Employment Office (ONEM). Some of the competences of the new institution would cover those of the still non-institutionalized local employment committees—in particular those concerning information, counselling, and placement. This issue does not yet appear to have been given due consideration by the relevant political authorities in France.

7) The emergence of an individual right to occupational orientation. It appears that occupational orientation is no longer regarded as being subordinated exclusively to the functioning of the economy: "Citizens' rights comprise more than a right to assistance from the state... They also presuppose that each individual encounter equality of opportunity in access to employment and have within his reach a network of information, contacts, and advisory services which permit him to

freely choose the nature of his occupation, given his capabilities, training, experience, and, of course, the current situation on the labour market. The best guarantee for achieving this objective is the institution of a generalized, individual right to orientation assistance.[1/]

8) The need to know the condition in which firms find themselves in order to ensure that state intervention does not come too late. This measure can operate at several levels, beginning within the enterprise itself in the form of encouraging far-sighted personnel management and investing greater powers in business affairs on the works council. This latter concept was recommended in the Auroux Report to the Ministry of Labour but is encountering hostility from employers. Outside the enterprise, it would be more difficult to set up such an early-warning device because this would presuppose that the enterprise report its condition and any restructuring plans it may have to the local employment committee or employment office before it is too late for solutions and a social compensation plan to be negotiated. One means of making progress in this direction would be to convince the employers that the responsibility they bear is not only economic but also social.

9) The relaunching of training leave as an individual right and a voluntary step towards enabling the individual to manage his occupational career and to alternate periods of work with periods of training in accordance with his own occupational aspirations in terms of advancement or retraining.

1/ J. P. Murcier: Emergence d'un nouveau droit: le droit à l'orientation professionnelle continue. Droit Social No. 2, February 1982.

The implementation of these nine proposition would permit the realization of a policy to prevent unemployment by means of training measures. The three principal items: information, forecasting/normative orientation, and timely detection would all be incorporated, thereby combining active employment politics with a response to the needs and aspirations of the working population (right to training, right to freely choose an occupation, and equality of opportunity in promotion). This could lead to the development of a vocational training policy which is closely integrated into a genuinely active employment policy incorporating more than defensive strategies and soundly embedded in plans for national, regional, and sectoral economic development.

ANNEX I FRANCE

Training Charter Adopted by the Local Committee for the Lorraine Coal-mining Basin in 1972

All residents in the Lorraine coal-mining basin who are beyond the age of compulsory schooling shall be entitled to take advantage of the continuing training programme. No upper age limit nor criteria with regard to sex, nationality, language, race, occupation, or motivation shall prohibit registration for the training measures.

Within this global population group, priority shall be given to satisfying the needs of the most disadvantaged categories: persons with a poor educational background, migrant workers...

The scheme shall be characterized by the predominance of basic training (levels VI and V) and shall be accompanied by a publicity campaign to facilitate access for the target milieux.

The training programme proposed should comprise a complete and well-balanced range of training measures providing for

- general basic training,
- training for individual educational development,
- vocational training.

The participants are not to be regarded as mere consumers passively absorbing course material elaborated elsewhere. They should be given every opportunity to express their training requirements and participate in determining the content of the training they wish to undergo, with the proviso that the training leading to the Vocational Training Certificate (CAP) must be governed by the examination regulations currently in force.

The training is to be regarded as a social act presupposing a minimum of interpersonal exchange.

Consideration should be given to the multilingual character of the region.

The trainers, faced with a difficult task and working throughout the coal-mining basin, should coordinate their action and participate in a continuing process of advanced pedagogic training. They should be recruited from all socio-occupational categories.

The premises in which training is given should be located in close proximity to the place of residence of the trainees.

The local committee which has been responsible for conceptualizing and developing this training programme shall be the only body responsible for ensuring that it operate in the interest of the region. This committee should retain responsibility for the orientation and management of the training programme within the general framework defined by the regional committee from which the local committee has been set up.

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THE LABOUR MARKET IN ITALY

The working population in Italy accounts for almost 40% of the total population. Compared with other European countries, Italy still has a high proportion of its labour force (14.8%) working in the agricultural sector. This situation can be explained largely by the disparity in development levels, between southern and northern Italy. More than one quarter of all jobs available in the Mezzogiorno in 1979 were in the agricultural sector.

Breakdown of the working population by sector in 1980

Agriculture	14.8%
Industry	37.7%
Others	47.6%

Source: OECD Observer, March 1981

Sector	Production				Employment			
	1951		1978		1951		1979	
	North	South	North	South	North	South	North	South
Agriculture	19.3	34	6.0	13	37.6	56.6	9.0	25.2
Industry	36.2	17.8	36.1	20.6	28.3	14.6	33.2	17.4
Construction	4.5	5.9	6.4	9.6	5.6	5.5	7.1	11.3
Private services	31.6	29.5	40.1	38.3	22.6	17.3	34.3	28.1
Public administration	9.3	12.8	11.6	18.4	5.7	5.8	16.3	17.7
	100	100	100	100	100	100	100	100

Source: OECD Economic Report Italy, June 1981, and ISTAT

The employment rate in all the non-agricultural sectors has progressed steadily in recent years, reaching +1.5% in 1980, the highest rate since 1974.

The number of underemployed persons (fewer than 26 working hours per week) remains virtually constant, and the marked

expansion in marginal employment (persons without formal employment but having worked at some time during the reference period) in late 1979 and early 1980 could be a reflection of the high employment level which prevailed during this period but could not be sustained into 1981.

Although the trend towards increasing activity rates discernible since 1978 has continued, the progresssion in the dimension of the workforce has remained slightly less rapid than the progression in the number of workplaces available so that absolute unemployment has in fact stabilized at 7.6% of the employable population, a figure comparable with the EC mean.

Employment (in thousands) Source: ISTAT

Category		1977	1978	1979	1980
Total labour force		21,607	21,731	22,075	22,372
Total labour force as % of total population		38.9	38.9	39.4	39.9
Employed	dependent employment	14,360	14,363	14,611	14,808
	independent employment	5,702	5,796	5,766	5,867
	total	20,062	20,160	20,377	20,674
	of whom underemployed	436	420	407	406
Unemployed	jobseekers	211	212	226	212
	first-time jobseekers	693	792	866	890
	other jobseekers	641	567	606	596
	total unemployed	1,545	1,571	1,698	1,698
	unemployed as % of total labour force	7.2	7.2	7.7	7.6
Non-working population		33,966	34,075	33,940	33,749
Total population		55,573	55,805	56,016	56,122

One characteristic of the employment situation in Italy is the high proportion of persons operating their own businesses. These account for 28.5% of all working persons.

Women represented almost 34% of the working population in 1981, a proportion which appears to have stabilized.

More than 55% of working women are employed in the tertiary sector. In absolute terms, the number of working women likewise seems to have stabilized, although at a slightly lower figure than that recorded in 1980 (- 0.6%). Female unemployment increased between 1980 and 1981 by 9.6%.

The education and training level of the working population continues to move upwards, a fact which is attested by the increasing number of working persons having completed lower or higher secondary education.

Employment by education level and sector 1977-1980 (%)

Sector		No qualification or elementary ed. cert.	Lower secondary ed. cert.	Higher secondary ed. cert.	First degree
Agriculture	1977	90.1	7.7	1.9	0.3
	78	88.4	9.0	2.2	0.4
	79	87.0	10.1	2.6	0.3
	80	85.7	11.1	2.6	0.3
Industry	1977	62.7	27.4	8.6	1.3
	78	60.2	29.0	9.4	1.4
	79	57.8	30.6	10.2	1.4
	80	55.2	32.6	10.7	1.5
Others	1977	42.1	29.9	19.9	8.1
	78	40.2	30.5	21.1	8.2
	79	38.2	31.3	22.0	8.5
	80	35.9	32.2	22.9	9.0
Total	1977	57.5	25.4	12.7	4.4
	78	55.1	26.7	13.8	4.4
	79	52.8	27.9	14.7	4.6
	80	50.2	29.4	15.5	4.9

Source: ISTAT

With regard to unemployment, regional disparities continue to widen. Furthermore, unemployment is more acute among the younger age groups: three quarters of all employed persons are under 29 years of age, and the percentage of first-time jobseekers among all jobseekers increased to 53% in 1980 as opposed to only 45% in 1977. In contrast, the unemployment rate is approximately 1% among men aged over 30 and in the order of 2.5% among men and women in this age group. This low unemployment level can be partly explained by the high

number of persons working a shortened week.

Regional structure of unemployment (%)

Category	Centre/North		South	
	1980	1981	1980	1981
Jobseekers	13.4	11.2	10.0	9.5
First-time jobseekers	51.0	48.7	48.6	51.0
Other jobseekers	35.6	40.1	41.4	39.5
Total	100	100	100	100

Source: CENSIS: XV Rapporto/1981 sulla situazione sociale del paese

Female unemployment is tending to increase more rapidly than male unemployment, and, in terms of educational background, it is those holding lower and higher secondary school qualifications who are most affected.

Unemployment by education level 1977-1980 (%)

		No qualification or elementary ed. cert.	Lower secondary ed. cert.	Higher secondary ed. cert.	First degree
Jobseekers	1977	58.6	26.7	12.8	1.9
	78	59.0	25.9	12.7	2.4
	79	56.2	27.0	14.2	2.6
	80	50.9	31.1	15.6	2.4
First-time jobseekers	1977	20.8	38.0	34.0	7.2
	78	18.1	40.0	34.6	7.3
	79	16.2	43.0	34.6	6.2
	80	15.1	43.9	35.5	5.5
Other jobseekers	1977	44.1	31.9	22.7	1.3
	78	40.7	31.7	26.0	1.6
	79	41.8	32.4	24.1	1.7
	80	38.6	34.6	25.3	1.7
Total	1977	35.5	34.1	26.4	4.0
	78	31.8	35.2	28.5	4.5
	79	30.6	37.1	28.2	4.1
	80	27.8	39.0	29.5	3.7

Source: CENSIS: XV Rapporto/1981 sulla situazione sociale del paese

The employment situation deteriorated considerably in 1981, and for the first time more than two million persons were seeking employment. To these one should add a further 700,000 persons, for the main part those having precarious and irregular jobs at present who wish to work under fixed working conditions. Another category which should be counted among jobseekers, although this may to some extent overlap with that just referred to, comprises those who are momentarily laid off as a result of temporary shutdowns and are compensated by the Cassa Integrazione Guadagni. This fund disbursed compensation in 1981 for a total of 500 million lost working hours, almost twice the figure registered in the preceding year.

Cassa Integrazione Guadagni - CIG (compensation of earnings fund)

	Hours compensated (million)
1976	281.7
1977	249.8
1978	316.0
1979	299.4
1980	307.1

Source: CENSIS: XV Rapporto/1981 sulla situazione sociale del paese

CIG: hours compensated in selected industrial sectors: variation 1980/1981 (%)

Metalworking	220.3
Mechanical engineering	285.6
Textiles	130.2
Chemicals	128.8
Electricity and gas	248.7
Transport and communications	538.7
Tobacco	393.2
Aggregate progression in entire industrial sector	153,6

Source: CENSIS - XI Rapporto/1981 sulla situazione sociale del paese

It is expedient at this point to examine the objectives and functioning of this income compensation fund.

The Cassa Integrazione Guadagni (CIG) indemnifies between 70% and 90% of salaries lost by virtue of temporary production shutdowns. The Cassa was designed to serve as an instrument of economic intervention in the event of production shutdowns owing to temporary circumstances for which neither the employees nor the employer can be made responsible: its "ordinary" fund, financed by the state and an employers' contribution, was made responsible for stepping in in the event of bad weather losses or natural catastrophes. However, as the concept of production shutdowns and a shortened working week expanded in the wake of local sectoral crises or corporate restructuring and reorganization, an "extraordinary" fund was set up with the task of intervening to assist workers whose firms were undergoing a sector-specific crisis or restructuring or reorganizing operations. In contrast to the ordinary fund, the extraordinary fund is financed exclusively by the state.

This expansion of the notion of work interruption induced a major change in the intervention logic of the Cassa Integrazione Guadagni: from originally serving as a cyclical regulation instrument, it has developed into a permanent institution. Its intervention often extends from fiscal quarter to quarter and it now also assumes responsibility for "disguised" cases of absolute unemployment, thereby moving away from its initial function of protecting workers against unforeseeable corporate crises to serve merely as a source of financial assistance.

Any worker referred to this fund retains his employment contract and his status as employee, despite the fact that his salary is henceforth financed from public funds and, in anticipation of a hypothetical recommencement of corporate opera-

tions, he is not required to perform any work.[1/]

This system has proved to be a serious rigidity factor impeding the normal functioning of the labour market.

The most striking feature of the labour market in Italy is a marked dichotomy in two respects—firstly the official market and the unofficial market, and secondly large enterprises and small enterprises. Labour market operation with regard to the official sector displays a distinctive lack of flexibility which can be explained to some extent by:

- the absence of a cohesive policy for sectoral restructuring,
- the poor utilization or subversion of some employment policy instruments, the Cassa Integrazione Guadagni being but one example,
- the role played by the trade unions, which are generally hostile to external mobility and seek to promote job retention: collective bargaining agreements concluded at national level and renegotiated every three years accordingly serve as a collective guarantee for job retention.

In contrast, the informal labour market which is now expanding as a reaction to this situation displays a high degree of operational flexibility.

The distinction operating between small and large enterprises has the effect that large enterprises recruit their employees from small enterprises, which latter thus become the obligatory starting point for workers to acquire their initial training

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1/ The FIAT agreement concluded on 10 September 1980, for example, referred 24,000 employees to CIG on the basis of zero working hours for a period extending until 31 December 1981.

and experience. The transition to a large enterprise represents an occupational upgrading and offers greater job security.

The functioning of the labour market in Italy thus faces a grave mobility problem which is most evident among workers in firms undergoing a restructuring process.

Various attempts to increase external mobility have been made since 1977 and more particularly since 1980:

1) Law 675 of 13 August 1977 on restructuring and industrial redeployment sought to increase worker mobility within and between firms undergoing a structural reorganization. The main instrument introduced by this piece of legislation was a so-called mobility list to be drawn up in the event that a firm declares a crisis situation: the workers included on the list are encouraged, in some instance by an offer of training, to accept any job opportunity they may encounter outside the firm. Such encouragement to leave the firm does not imply a first step towards redundancy because the worker still retains a guaranteed workplace in his old firm. However, the trade unions are ill-inclined to accept the existence of an instrument which releases firms from their social responsibility towards their employees. Because of their hostility and also the lack of clear ideas at national and regional level on a restructuring policy which makes provision for employment considerations, this piece of legislation has so far failed to have any major impact.

2) With the signature on 7 July 1979 of the FIAT agreement negotiated for the metalworking sector, the trade unions accepted for the first time that external mobility, i.e. the transfer of a worker from one firm to another, can be considered as desirable, although their acceptance was made conditional on the establishment of control bodies to regulate supply and demand and ensure that data on employment could be centralized

at regional level. Under the terms of this agreement, any worker for whom inter-firm mobility is prescribed who refuses an equivalent post offered him within a radius of 50 km from his home forfeits all his social security rights.

3) A draft law now being deliberated by the Italian Parliament (No. 760 of 15 October 1981 on the establishment of employment services, worker mobility, salary compensation and the implementation of pilot projects on job preparation), envisages a partial reorganization of the labour market by means of the establishment of manpower agencies and district employment commissions and also a change in the recruitment practices of large enterprises, giving these more direct access to the labour market and jobseekers an opportunity to list their preferences on a placement list, thus making the otherwise obligatory route via small enterprises superfluous.

Yet despite these recent developments, employment policy is still not regarded as one of the basic pillars of economic policy in Italy. In fact, most of the measures initiated are more in the nature of assistance, for the benefit of either the labour force or ailing firms. Those designed to benefit workers include unemployment benefit granted in the event of complete unemployment and the extension of the eligibility conditions for assistance from the Cassa Integrazione Guadagni. Those desgined to benefit firms include credit facilities to finance a switchover to new product lines or a restructuring of production, assistance which in many instances has permitted the survival of otherwise unprofitable production units.

There is, however, one area in which the Italian Government has pursued a more active policy: the promotion of youth employment in the public and private sectors, Law 285 of 1 June 1977 (Legge Giovani) had three main objectives: to stimulate

the recruitment of young persons in agriculture, the crafts, commerce, industry, and the services; to provide financial support for regional and local programmes to promote productive work and socially useful services(operations determined by the central administrations); and to implement vocational training programmes which are tailored to anticipated needs on the labour market. The most important innovative elements of this piece of legislation are:

- the creation of jobs for young people in socially useful services,
- the promotion of new types of work and work organization (cooperatives),
- the introduction of employment-training contracts which integrate work experience into vocational education and call on the vocational training institutions to adapt their pedagogic approaches to contemporary circumstances and provide scope for innovation.

However, it appears that the impact of this statute has so far been somewhat disappointing: jobs which are precarious in status and offer only short-term security of tenure, a hypertrophic expansion of the public sector used as a source of assistance, training which is nothing more than a mere induction training for one specific workplace, and funds which have proved inadequate to permit genuine job creation.

In view of the fact that employment policy has tended to develop into a policy of assistance, the issue under examination here—the implementation of an active employment policy and measures to prevent unemployment—has not yet become a preoccupation in Italy. Unemployment is not perceived as a risk, for negotiated agreements and legislation together assure continued employment or an income from unemployment benefit.

Only within the context of a rapid deterioration on the labour market could circumstances provoke a development in the direction of more active state intervention on the labour market in Italy. Such a deterioration has indeed been discernible since 1981, and such action is accordingly now being considered in the from of Draft Law No. 760, for the substantial increase in the allocations required to finance the present policy of assistance is itself sufficient to justify greater state intervention and a more rational organization of the labour market.

To turn to vocational training policy in Italy, it is important to recall that competence for vocational training matters was delegated to regional level some years ago. Framework Law No. 825 of 21 December 1978 laid down regional and national powers in this field and also regulated matters of financing and functioning.

Under the terms of its provisions, the regions are entitled to draw up annual or multi-year vocational training programmes based on regional development plans and the training requirements of industry and the services. The programmes are essentailly designed to assist priority target groups such as unemployed youths, but they also extend to the adult unemployed and those employed in crisis-threatened firms.

However, these measures remain limited in scope because the notion of vocational training has not been fully integrated into the reasoning modes of either individuals or enterprises (since the system offers no fiscal incentives, firms are reluctant to provide for training). The same being true of the trade unions, training is not understood as a stake in collective bargaining.

At present, there can be no motivation for seeking training:

- for individuals, training does not represent a means of internal promotion: in the larger firms promotion is either automatic or negotiated;
- for the unemployed, training represents merely a means of being occupied, a factor operating in favour of social peace; unemployed persons undergoing training receive 10% more than the figure paid by the Cassa Integrazione Guadagni, a bonus which is often the only reason for undergoing training and which can sometimes result in training absurdities;
- the larger firms and concerns regard training merely as a means of labour force management (mobility, internal reorganization), or reserve training opportunities for senior staff only, for whom special training centres are provided.

Nonetheless, it may be anticipated that this situation will change, the 1978 legislation having specified that the firm is also a place of training and accorded employers the possibility of concluding training agreements with the regional authorities. This reflects the first steps towards coordination and consultation on the objectives of industry on the one hand and regional development on the other.

It is, however, difficult to identify, quantify, and evaluate the training measures undertaken in Italy, irrespective of their type or objective. There exists no central public body to compile data on this field, and the firms, for their part, are reluctant to release information. Although this section of the Report must then, by default, remain somewhat general in nature, a few concrete examples can serve to provide an insight into the situation prevailing.

The majority of the training measures which can be considered as helping to prevent unemployment (training in new technologies, refresher courses, retraining courses) are negotiated collective-

ly at the initiative of the Government, the employers, and the trade unions. Yet the fact remains that recourse to training is not systematic but sporadic, a last-chance solution. Training has not been integrated into the economic restructuring process.

1. STATE ACTION

Some of the vocational training measures initiated by the state in Italy can be considered as useful in preventing unemployment, even if this is not their primary objective. Their unemployment prevention character can be seen in the fact that they promote individual mobility, upgrade skills, or train workers for other occupations.

State action at both national and regional level appears essentially to take the form of legislation or financial assistance. The implementation of training measures takes place within the framework of agreements negotiated between employers, trade unions and the regional authorities.

Four recent pieces of legislation form the basis for state action in training provision:

1. Law No. 285 of 1 June 1977 (Legge giovani) introduced vocational training programmes for young people and also the concept of employment-training contracts. By giving young people an opportunity to acquire occupational skills and experience as soon as they leave school, this piece of legislation helps to prevent youth unemployment. The measures are financed from a national fund. It has transpired that these innovations have failed to operate as well as anticipated.

2. Law No. 675 of 13 August 1977 on industrial restructuring and redeployment operations provides for two types of training scheme to be financed from a specially instituted national training fund:

   - retraining for workers who are to remain with their present firm, in which case the training course is organized by the firm,

   - adaptation training or retraining for those workers who are to transfer to another firm, in which case the training is organized by the regional authorities.

However, in default of a clear employment policy concept which takes account of the need for industrial restructuring, only little recourse has been had to the opportunities offered by this piece of legislation. The few in-firm training opportunities which have been offered have all been concentrated in only a small number of very large firms. At the same time, the absence of a clear vision of the labour market has proved to be a poor starting point for negotiations on suitable retraining measures.

3. Framework Law 825 of 21 December 1978 on vocational training makes provision for various training schemes, of which two types can be considered as particularly helpful in preventing unemployment:

   - training courses for workers having to adapt to a change in production policy,
   - advanced training courses.

   These training measures are incorporated in an annual or multi-year training plan established in accordance with the premises of the regional development programme.

   Both training schemes are financed from regional authority funds, the first type also being eligible for allocations from the special fund set up under the provisions of Law No. 675 and, in many instances, for Community support from the European Social Fund or the European Regional Fund. The training may be organized direct by a public body or, alternatively, on the basis of agreements negotiated with private organizations or associations. Since individual firms are likewise entitled to negotiate such agreements with the regional authorities, this may reveal the beginnings of a possibility of cost-sharing in vocational training provision (public funds and private funds) and also an increasing sense of responsibility among firms with regard to vocational training policy.

4. Article 2 of Draft Law 760 of 15 October 1981 (organization of employment services and the promotion of worker mobility) makes provision not only for the establishment of an employment agency to rationalize the functioning of the labour market but also for specific information and vocational training measures to promote and facilitate retraining.

Article 13 further envisages the negotiation of agreements between firms and the district employment commissions in an attempt to facilitate occupational mobility and placement. It reads as follows:[1/] "A recruitment programme proposal may be submitted to the local district employment commission by a firm, a group of firms or their trade union associations... Once approval is forthcoming from the local trade union organizations and the firms, an agreement may be concluded between the firm or group of firms on the one hand and the district employment commission on the other. The agreement will specify the date of recruitment, the knowledge and skills to be generated, the training courses to be organized in consultation with the regional authorities, and any special privileges to be granted. The agreement may prescribe special measures to promote employment among women and young people.

"The agreement may likewise provide for access to brief training sessions at the workplace, upon completion of which recruitment is to be proposed..."

This piece of draft legislation is of interest insofar as it seeks to integrate vocational training into the mobility and recruitment process and furthermore to generate within

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1/ Text drawn up on the basis of discussions held in closed session.

firms a preoccupation with training at both corporate and regional level.

Important reforms which could permit the development of training measures to prevent unemployment are now being introduced at regional level in anticipation of this draft law. The most important are:

- the institution of a mechanism to permanently monitor the labour market,
- the establishment of employment agencies to work along the lines set out in national employment policy,
- the initiation of experimental training-employment programmes for adults.

At present, it would be unjustified to claim that the training measures initiated by the Italian Government at national and regional level contribute towards preventing unemployment, or even that they do so implicitly. Those taken at regional level, for example, seldom seem to be oriented towards productive outlets. Training is used merely as a means of occupying time.

2. ACTION UNDERTAKEN BY PRIVATE ENTERPRISE

The largest industrial group in Italy, the Istituto Ricostruzione Industriale (IRI)[1/] operates two corporate vocational training agencies: ANCIFAP and IFAP. Of the two, ANCIFAP is of greater interest in this context. Established in 1960, its mandate is to promote and organize training measures for manual workers, medium-level supervisory staff, and technicians employed within the group. In contrast, IFAP is concerned exclusively with the training of managerial personnel.

A number of other large Italian firms have likewise established their own training centres. Examples are FIAT (ISFOR), OLIVETTI, and PIRELLI. However, the training provision here tends to be oriented towards adapting skills to satisfy the requirements of the firm and technological progress rather than towards retraining for new occupations and thus the prevention of unemployment.

The retraining measures offered by ANCIFAP (IRI group)

From the outset, ANCIFAP has sought to integrate its activities into the corporate life of the firms it services and to offer training courses which are closely coordinated with their requirements. In recent years this preoccupation has caused it to place greater emphasis on personnel retraining activities and skill-upgrading measures. It is estimated that

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1/ The IRI group comprises 500 firms engaged in a wide range of fields and employs a total of 560,000 persons. Its turnover amounted to US$ 24 million in 1979, of which 30% was derived from export transactions. IRI is Europe's primary industrial concern. Although the majority of its constituent firms are publicly owned, corporate functioning and procedure within IRI group appear to be identical with that typical of a private industrial group. It is for this reason that its vocational training policy is examined here within the framework of training provision made by private companies instead of in the preceding section devoted to state action.

some 70% of the training provision offered by ANCIFAP for the benefit of the group's employees are measures which are likely to reduce the risk of unemployment by preparing the workforce for technological change and corporate restructuring processes.

Examples of ANCIFAP retraining measures which have contributed towards preventing unemployment include the following:

- 1,000 employees of the FAG ball-bearings factory in Naples were retrained for employment in an aeronautics firm (AERITALIA);
- the bankrupt firm CHEREA, a private manufacturer of stainless steel tubes and employer of 200 employees on Sardinia, could recommence activities after suitable training provision;
- 400 former employees of the VETROBEL glassware firm in Trieste who had been receiving benefits for five years from the Cassa Integrazione Guadagni were retrained over a five-month period for occupations in the mechanical engineering sector;
- 1,000 employees of firms located in Taranto working on contract for the ITALSIDER group were retrained and placed in local service and maintenance firms;
- a similar operation carried out in Genoa offered retraining opportunities for former ITALCANTIERI workers;
- 4,000 unemployed persons in Naples were given training for employment in the construction and public works sector.

Details of some of these retraining measures are given below.

1. <u>The retraining scheme at VETROBEL, Trieste</u>

VETROBEL was a glass-manufacturing subsidiary of a Belgian multinational company which decided to close down its plant in Trieste in 1975. The 1,200 employees thereby made redundant were granted salary compensation from CIG for a period

of five years. At the end of this period, an agreement negotiated between INTERSIND (IRI group), COFINDUSTRIA (private enterprise), the trade unions and the regional authorities for Friuli-Venezia-Giulia proposed a five-month retraining scheme to prepare the remaining 400 workers for work in the mechanical engineering sector.

ANCIFAP was commissioned with organizing the training, which was to provide for five specialisms: joinery/fitting, welding, machine tools, and electronic and electrical engineering. The trade unions participated in preparing and implementing the courses.

The costs of the scheme, which amounted to L 396 million, were borne by the regional authorities.

Two hundred persons (average age 47 years) subsequently availed themselves of the training offered. The scheme encountered no grave difficulties, though

- some workers had found a second job and could not attend all the classes, and
- internal tensions emerged towards the end of the scheme because the participating firms had difficulty in accommodating the trainees; nonetheless, all were subsequently re-employed.

The workers who did not participate in the retraining scheme solved their unemployment problem in various ways: some took advantage of the early retirement scheme, others found employment in the construction sector without having to retrain, and still others formed a cooperative specializing in the maintenance of public gardens and green spaces.

2. The retraining scheme offered at FAG, Naples

FAG, a private ball-bearing manufacturing firm, found itself in difficulties in 1975 at a time when AERITALIA (aeronautics, IRI group) was expanding. AERITALIA undertook to employ a number of key FAG workers after retraining in a number of specialisms.

An agreement was drawn up at regional level to govern the retraining scheme for the FAG workers. Training organization was entrusted to ANCIFAP and the regional authorities of Campania agreed to finance the scheme.

The retraining programme lasted ten months (1978/79), during which time 500 workers participated in courses offering instruction in 20 different specialisms.

The special feature—and special problem—of this retraining scheme was that it not only sought to transfer new skills but also to accustom workers to a quite different kind of production and work organization:

- at FAG production had been mechanized mass production, with each work cycle lasting only a few seconds;
- at AERITALIA the production of one workpiece requires several days and quality standards are extremely high; this presupposes a certain measure of worker autonomy and a sense of responsibility with regard to one's work performance.

The results were very positive.

3. The retraining scheme organized for ITALSIDER subcontractors at Taranto

ITALSIDER is a steelworks belonging to the IRI group. It employs 25,000 workers and, indirectly, a further 100,000 in private subcontracting firms supplying secondary goods and services.

With the backing of their trade unions, workers in some of these private subcontracting firms whose jobs were threatened exerted pressure on ITALSIDER with a view to becoming employed directly by this public concern, thereby acquiring greater job security. The retraining programme was designed to remedy this situation, drawing on the fact that some 20 other subcontracting firms were suffering from manpower shortages.

Agreement was reached that 1,000 workers should be offered one-year retraining schemes (1978/79) in mechanical and electromechanical engineering, welding and joinery/fitting. The scheme was financed by the regional authorities and the European Social Fund.

ITALSIDER already had an on-site training centre, built in 1963 to provide advanced training for employees and initial training for new recruits (20,000 persons from agriculture and the tertiary sector have meanwhile been integrated into the steel sector). However, since this training centre was not large enough to accommodate 1,000 additional trainees, an agreement was drawn up at national level (Ministry of Labour) and subsequently endorsed at regional level to distribute these 1,000 workers over five training centres, three run by the state and two run by the Apulia regional authorities. The Taranto training centre was given overall responsibility for training the instructors and coordinating and monitoring the training provision.

The results of this retraining scheme were positive: the workers were subsequently employed in the firms for which they had been intended. However, the subsequent deterioration in the general situaion in the steel sector has undoubtedly meanwhile had negative repercussions on the employment and activity levels in these firms.

4. The retraining scheme for 4,000 unemployed persons in Naples

This retraining scheme differs from those described above insofar as it concerned not an IRI-owned firm but the Campania region in general and also because it represented for ANCIFAP an experimental project with a social purpose.

Financed by the regional authorities and the European Social Fund, the scheme provided training for work in the construction and public works sector for 4,000 unemployed persons. Job opportunities presented themselves without delay as a result of the major earthquake which devastated parts of this region.

The innovative aspect of this retraining scheme resided in the fact that conscious efforts were made to involve the trainees in the preparation of the scheme.

These examples reveal that the success of retraining measures depends on the pre-existence of job opportunities and a corresponding tailoring of training provision to suit them. The training is more in the nature of adaptation training for specific vacancies.

Thus here again, with the exception of the retraining scheme for unemployed persons in Naples, the training provision has not had unemployment prevention as its primary, explicit objective. In the case of the IRI-group retraining and transfer measures, their essential purpose has in contrast been to satisfy the needs of the firms belonging to the group.

Individual Training

Only little information is available on adult education courses attended in the evenings or during periods of training leave and on other measures to advance personal occupational aspirations

such as training to start a business or retraining as a means of preventing unemployment:

- The 150 Hours Law governing training leave is normally used for general education purposes to remedy schooling deficits, although in some instances it can provide an opportunity to train to the standard required for state-recognized qualifications and thereby offer an individualized retraining opportunity.
- The regional authorities in Lombardy organize evening courses in occupation-related subjects for unskilled persons in precarious jobs who wish to improve their situation by means of vocational training.

Although one must conclude that training is not used in Italy as a means of preventing unemployment, a number of factors indicate that a change may now be taking place which could lead to an employment policy which, although not preventive in nature, is at least more active and includes vocational training as a strategic element. The factors indicating a development in this direction are

- the efforts to organize the labour market in a more rational manner by means of public action to increase market transparency and fluidity,
- the plan to collect and compile data on the activity level and functioning of the labour market,
- the intention to integrate vocational training plans into regional development programming.

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